NEWS RELEASE

HYFLUX EXITS DESALINATION PROJECT IN SAUDI ARABIA

Singapore, 23 May 2018 - Hyflux Ltd (Hyflux) wishes to announce its decision to exit from a desalination project in the Kingdom of Saudi Arabia. Hyflux refers to the announcement dated 24 February 2017 entitled 'Hyflux received Letter of Award to develop three desalination plants in the Kingdom of Saudi Arabia".

Subsequent to its wholly-owned subsidiary, Hydrochem Saudi Limited, receiving the Letter of Award from the state-owned Saline Water Conversion Corporation (SWCC) to design, build, supply, test and commission three seawater reverse osmosis desalination plants in Duba, Wajh and Haql (the Project) in the western region of the Kingdom of Saudi Arabia, Hyflux was informed by SWCC of its intention to convert the Project into a Build-Own-Transfer structure which requires Hyflux to inject capital to fund the development of the Project.

In view of recent developments, Hyflux has decided not to commit capital to this Project at this time, and both SWCC and Hyflux have reached mutual agreement to terminate the Project.

As part of the mutual agreement, Hyflux received payment amounting to USD 3.5 million from SWCC for work done thus far. As a result, there is no material financial impact for the year ended 31 December 2018.

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About Hyflux

As a global provider of sustainable solutions, Hyflux is committed to resource optimisation and sustainable development. A specialist in water treatment and among the top global desalination plant providers, Hyflux is distinctive in its ability to address the challenges at every point of the water value chain. The Group has expanded its offerings to include power generation and waste-to-energy. It also entered into the wellness industry with the ELO brand to broaden its consumer market portfolio.

Headquartered and listed in Singapore, the Group employs more than 2,500 employees worldwide. Hyflux's track record spans across Asia, the Middle East and Africa. It includes one of the world's largest seawater reverse osmosis desalination plants in Algeria and Asia's first Integrated Water and Power Plant in Singapore.

For more information, please visit www.hyflux.com

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