HYFLUX LTD
Company Registration No.: 200002722Z
(Incorporated in the Republic of Singapore)

UPDATES ON REORGANISATION PROCESS – EXTENSION OF MORATORIUM, AND DEMAND BY MALAYAN BANKING BERHAD ON TUASPRING PTE LTD

Hyflux Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") refers to its announcements on:

(a) 6 July 2018 in relation to the agreement (the "**Collaboration Agreement**") between the Company, Tuaspring Pte Ltd ("**Tuaspring**") and Malayan Banking Berhad ("**Maybank**") dated 5 July 2018 in respect of the process for the divestment of the Company's interest in Tuaspring's Integrated Water and Power Project (the "**Tuaspring IWPP**"), and to execute a binding agreement with a successful bidder or investor by the date stated therein (the "**Standstill Deadline**");

(b) 15 October 2018, 8 November 2018, 4 December 2018, 31 December 2018, 4 February 2019 and 28 February 2019 in relation to extensions of the Standstill Deadline;

(c) 5 March 2019, 21 March 2019, 29 March 2019, 4 April 2019 and 17 April 2019 in relation to:

  (i) The Public Utilities Board's ("**PUB's**") termination of the Water Purchase Agreement entered into between PUB and Tuaspring dated 6 April 2011 (as amended and/or restated from time to time) (the "**WPA**"); and

  (ii) PUB's purchase of the desalination plant and shared infrastructure of the Tuaspring IWPP (the "**Desalination Plant and Shared Infrastructure**"), accompanied by a waiver of the compensation sum likely to be payable by Tuaspring to PUB under the WPA;

(d) 18 April 2019 in relation to termination of the Collaboration Agreement by Maybank and notice of its intention to appoint receivers and managers over the assets of Tuaspring, save for the Desalination Plant and Shared Infrastructure therein;

(e) 23 April 2019 in relation to applications (the "**Moratorium Extension Applications**") by the Company and three of its subsidiaries for an extension of the moratorium in force under Section 211B(1) of the Companies Act; and

(f) 25 April 2019 in relation to the Company's engagement with potential investors and application by a group of seven unsecured banks (the "**Banks**") to vary the moratoriums (the "**Banks' Carve-out Application**") currently in force in respect of the Company and Hydrochem (S) Pte Ltd ("**Hydrochem**"), so as to seek leave to file applications for these companies to be placed under judicial management and/or interim judicial management pursuant to Part VIIIA of the Companies Act.

Extension of moratorium

The Company wishes to announce that following the hearing of the Moratorium Extension Applications earlier today, the Court has granted an extension of the moratorium in force in respect of the Company,

Hydrochem, Hyflux Membrane Manufacturing (S) Pte Ltd and Hyflux Engineering Pte Ltd to 24 May 2019.

The hearing of the Banks' Carve-out Application has been adjourned to 7 May 2019, at which the Court will decide whether the said moratorium should be lifted to allow the Banks to file applications to place the Company and Hydrochem under judicial management and/or interim judicial management. If the Court does grant such leave, it will convene a subsequent hearing, which is expected to be on 13 May 2019, to decide on the said applications. An update will be provided by the Company after the 7 May 2019 hearing.

Demand by Maybank on Tuaspring

The Company also wishes to announce that Tuaspring received a letter dated 23 April 2019 from Maybank, in which Maybank declared to be immediately due and payable the sums of S$509,116,236.63 and US$44,532,333.07 (being the amounts drawn down under the term loan facilities and the cash cover for contingent liabilities respectively), plus further interest and legal costs on a full indemnity basis, and demanded that Tuaspring make payment of these sums within 7 days (*i.e.* by 30 April 2019). The term loan and letter of credit facilities made available by Maybank under the Tuaspring financing arrangements are non-recourse to and are not guaranteed by the Company.

Maybank has also given notice to Tuaspring that the floating charge created over all of Tuaspring's property charged pursuant to a debenture (the "**Charged Property**") has crystallised. Tuaspring is not to sell, remove, transfer, or otherwise dispose of the Charged Property, save for the sale of the Desalination Plant and Shared Infrastructure to PUB pursuant to the terms of the WPA.

Maybank has reserved its rights under hedging agreements entered into as part of Tuaspring's financing arrangements. As currency exchange fluctuations and interest rate movements directly impact the exposure under these hedging agreements, the Company is currently unable to precisely determine the exact amount payable to Maybank. The aggregate amount under the said hedging agreements is currently estimated to be in the region of S$28,033,319.48 as at end March 2019.

The demand from Maybank, like the termination of the Collaboration Agreement, is expected to have a material impact on the financial performance of the Group. The Company will make the appropriate announcements as and when there are any further material developments on this matter.

Please monitor SGXNet and the Company's website for any announcements or updates on the Company's reorganisation process. If you are a holder of any securities of the Company and wish to receive email alerts providing these updates, please register your request at http://investors.hyflux.com/contacts.html. Otherwise, all information and updates will be disseminated via SGXNet and/or the Company's website (https://www.hyflux.com/financial-reorganisation-exercise/).

Shareholders and holders of securities issued by the Company are advised to exercise caution at all times when dealing in the shares and/or securities, and should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Lim Poh Fong
Company Secretary
Submitted to SGX-ST on 25 April 2019