

Our Ref: UT/HYF-PP/2020/10/11

Date: 11 October 2020

To: Hyflux Limited
80, Bendemeer Road, Hyflux Innovation Centre
Singapore 339949
For the attention of: Board of Directors

CC: Hogan Lovells Lee & Lee
(For and on behalf of the UWG)

Akin Gump Strauss Hauer & Feld LLP
(For and on behalf of the MTN holders)

Allen & Gledhill LLP
(For and on behalf of DBS Bank Limited)

Drew & Napier LLC
(for and on behalf of SIAS)

Dear Sir/ Madam,

Re: P&P Virtual Town Hall / SIAS Letter

We thank you for your letter of 9th October 2020 and would like to respond as follows:

1. Your affidavit submitted for the JM hearing states that UWG would like to ensure parallel engagement with P&P and an offer prior to UWG acceptance.
2. SIAS, through 7th October 2020 letter, confirms that Utico remains the only party that has made an offer for P&P and has asked Hyflux to do the Townhall.
3. Hyflux has committed to do the Townhalls requested by Utico for P&P and co-operate including the necessary announcements as part of signed RA of 26th Nov. 2019. It however failed to do so for the January 20th 2020 Townhall in spite of Utico and SIAS requests. Utico paid all the costs for the same.
4. It has again failed to announce and do the P&P townhall even if virtual, citing “costs” and “waste of time”. This is contrary to the above facts.

We can confirm that we are engaging with UWG and MTN and have aligned that would be beneficial to all stakeholders. For this the P&P is a critical stakeholder and cannot be considered as a “waste of time”.

We ask you to refrain from citing Utico telling you that UWG made an offer for half price to Utico. The context of that discussion was for reaching a deal at that time based on previous SMI deal which was close to 600mS\$. In fact Utico did offer 250mS\$ to senior unsecured creditors

post then and signed an RA on Nov. 26th 2019 with Hyflux. This was not consummated due to several factors not related to Utico but due to several breaches by Hyflux and later due to delays and COVID related changes keeping the value same or increased.

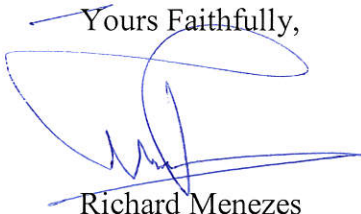
However Utico kept the Nov. 26th 2019 valid “de-facto”, but Hyflux chose to state “ipso facto” ceased.

The UWG has continued to work us and Utico with P&P and Hyflux in tandem and is the only party with a firm binding offer to all stakeholders as of to-date. Our offer currently also meets all conditions w.r.t Hyflux directors and has consistently met majority approvals at three attempts for P&P vote, even with our latest July 23rd proposal.

It is therefore surprising that some parties chose to offer themselves to Pison your alternative investor where they have protected the Hyflux directors and Hyflux directors themselves have not given a disclosure of non association or agreement with Pison’s terms as the primary condition for acceptance.

We therefore request Hyflux not to delay this any longer and do the P&P townhall tomorrow, 12th October 2020 at 6pm Singapore time, as requested by Utico and SIAS.

Yours Faithfully,



Richard Menezes
Managing Director
For and on behalf of Utico FZC

