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

UPDATES ON REORGANISATION PROCESS

Hyflux Ltd (the "**Company**") refers to its ongoing reorganisation process, and its announcement on 18 October 2018 relating to the entry into a Restructuring Agreement between the Company and SM Investments Pte Ltd. Unless otherwise defined, capitalised terms in this announcement shall have the same meanings as ascribed to them in the aforementioned announcement.

As stated in the Company's announcement on 8 October 2018, the hearing of an application made by certain creditors of the Group was fixed for 31 October 2018. At this hearing, the Company also brought the Restructuring Agreement to the Court's attention. The Company was also made aware of certain statements which were published by third parties in connection with court affidavits filed by certain creditors in respect of the said application, and the Company wishes to provide some clarifications in relation to the same.

In particular, the Company wishes to clarify that:

(a) As stated in the Company's announcement on 18 October 2018, Completion of the Proposed Investment pursuant to the Restructuring Agreement is subject to a number of conditions, including among other things, a Scheme of Arrangement involving all relevant creditors and in accordance with Section 210 of the Companies Act or such other provision that may apply. Details on any settlement, discharge and/or redemption of the unsecured financial debt (including the medium term notes outstanding), preference shares, perpetual securities, contingent debt and/or trade debt, on terms agreed between the Parties, in accordance with Section 210 of the Companies Act or such other provision that may apply should not be speculated on prior to any Scheme of Arrangement being formally proposed to creditors for their relevant approvals. As there are currently no firm plans relating to these matters, relevant information will be provided by the Company at the appropriate juncture.

(b) At the appropriate juncture, the Company, along with certain of its subsidiaries, namely Hydrochem (S) Pte Ltd, Hyflux Engineering Pte Ltd, Hyflux Membrane Manufacturing (S) Pte. Ltd., and Hyflux Innovation Centre Pte. Ltd., may apply for an extension of the existing moratorium under Section 211B(1) of the Companies Act ahead of a Scheme of Arrangement to be proposed to creditors.

(c) In respect of the Pre-Completion Working Capital Rescue Financing, as stated in the Company's announcement on 18 October 2018, the Company will be making an application to Court under Section 211E(1) of the Companies Act to provide for the loan to be secured by certain assets of the Group.

Please monitor SGXNet and the Company's website for any announcements or updates on the Reorganisation. 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 the securities of 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 31 October 2018