



HYFLUX LTD

Company Registration No.: 200002722Z

(Incorporated in the Republic of Singapore)

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## **TUASONE WASTE-TO-ENERGY PROJECT – SETTLEMENT AGREEMENT – ADDITIONAL INFORMATION**

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Hyflux Ltd (the “Company” and together with its subsidiaries, the “Group”) refers to its announcement made on 26 December 2019 (the “Announcement”) in relation to the update on the TuasOne Waste-To-Energy Project – Settlement Agreement and Novation of EPC Contract. Capitalised terms used herein shall have the same meanings as ascribed to them in the Announcement.

The Company wishes to provide an update on the Settlement Agreement 2, which covers the following:

1. Termination of the Settlement Agreement;
2. Novation of the EPC Contract;
3. Division between MHI and Hydrochem of the remaining payments to be made under the EPC Contract; and
4. Release and discharge of certain claims between MHIL, MHIAP and/or MHIECE on the one hand, and the Company, TuasOne, Hydrochem and/or HEPL (“**Parties**”).

The entry into the Settlement Agreement 2 and the Deed of Novation was necessary to ensure continued funding for the Project by the project finance lenders. The continued funding would, in turn, ensure completion of the Project and the preservation of the Group’s stake in the Project. The Settlement Agreement 2 would also resolve certain contingent liabilities and uncertainties and would create a more stable condition for the present debt restructuring exercise being undertaken by the Group.

While the termination of the Settlement Agreement and the release and discharge of certain claims between Parties would result in discharging certain liabilities of the Group, the novation of the EPC Contract and the division of the remaining payments under the EPC Contract are expected to result in the Group giving up certain rights to a portion of the proceeds from the construction revenue earned. Taking into account the above, the Group expects that this Settlement Agreement 2 will result in an overall material adverse financial impact to its financial performance.

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 and Chiang Chai Foong**  
**Joint Company Secretaries**  
**Submitted to SGX-ST on 30 December 2019**