



HYFLUX LTD

Company Registration No.: 200002722Z

(Incorporated in the Republic of Singapore)

UPDATES ON REORGANISATION PROCESS – TUASPRING INTEGRATED WATER AND POWER PROJECT

Hyflux Ltd. (the "**Company**") refers to the media article titled "*PUB issues default notice to Hyflux's Tuaspring; warns will take control of plant if defaults not resolved*" appearing in the online edition of the Straits Times on 5 March 2019, and the media release by the Public Utilities Board ("**PUB**") dated 5 March 2019 referenced in the media article.

The Company wishes to announce that Tuaspring Pte. Ltd. ("**Tuaspring**"), a subsidiary of the Company, has received a notice from the PUB dated 5 March 2019 asserting certain defaults by Tuaspring under 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**").

The WPA provides a default cure period of 30 days from 6 March 2019 (*i.e.* until 5 April 2019), or such longer period as may be reasonable (the "**Default Cure Period**") for Tuaspring to consult with PUB as to the steps that need to be taken with a view of mitigating the consequences of, and curing, any defaults that are alleged to have occurred.

If, after the Default Cure Period, any breaches that have arisen are not remedied, PUB has the sole and absolute discretion to, amongst other things, terminate the WPA by giving written notice of not less than 30 days to Tuaspring.

Under the Restructuring Agreement entered into between the Company and SM Investments Pte Ltd ("**Investor**") dated 18 October 2018 ("**Restructuring Agreement**"), a termination of the WPA may entitle the Investor to assert a right to terminate the Restructuring Agreement.

The Company and Tuaspring are presently seeking legal advice on the matters asserted in the default notice, and will commence consultations with PUB immediately, as envisaged in the WPA. The Company will make the appropriate announcements as and when there are any material updates or developments.

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 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 5 March 2019**