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

INTERIM AWARD IN FAVOUR OF HYDROCHEM (S) PTE. LTD.

We refer to the announcement dated 11 August 2015 entitled "Notice of Arbitration filed by Hydrochem (S) Pte. Ltd."

The arbitration was commenced by Hydrochem (S) Pte. Ltd. ("**Hydrochem**"), a wholly owned subsidiary of Hyflux Ltd ("**Hyflux**"), against SEPCOIII Electric Power Construction Corporation ("**SEPCOIII**") in relation to disputes which arose out of an engineering and procurement contract dated 28 August 2009 for the development, design and manufacture of certain desalination units for a desalination facility in Salalah, Oman.

The Board of Directors of Hyflux wishes to announce that on 31 August 2017, the Tribunal issued its Interim Award (on all issues save for interest and costs) in the arbitration.

The Tribunal has ordered SEPCOIII to pay Hydrochem a net sum of USD16,127,621.71 under the Interim Award. The Tribunal will separately determine the issue of interest and costs of the arbitration.

BY ORDER OF THE BOARD

Lim Poh Fong
Company Secretary
Submitted to SGX-ST on 11 September 2017