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

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**COMMENCEMENT OF ARBITRATION FILED BY MAA KUTHARI GLOBAL LLC**

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The board of directors of Hyflux Ltd ("**Hyflux**") wishes to announce that MAA Kuthari Global LLC ("**MKG**") has filed a Notice of Arbitration with the Singapore International Arbitration Centre ("**SIAC**") on 1 March 2019 to commence arbitration proceedings against Hyflux EPC LLC ("**HEL**"), an indirect wholly owned subsidiary of Hyflux, incorporated in the Sultanate of Oman. The Arbitration is in respect of disputes between HEL and the MKG arising out of and/or in connection with a sub-contract dated 28 March 2016 for the installation of Mechanical, Electrical and Instrumentation, and Control Systems for a proposed desalination facility to be developed in Qurayyat, about 60 km southeast of Muscat, Sultanate of Oman ("**Agreement**"). A copy of MKG's Notice of Arbitration was served on HEL on 1 March 2019. On 7 March 2019, SIAC informed MKG and HEL that the arbitration was deemed to have commenced on 5 March 2019.

This is in accordance with the terms of the Agreement, which provide that all disputes shall be referred to arbitration administered by the SIAC in Singapore.

Hyflux is currently seeking legal advice on MKG's claims, and will take all necessary steps to protect its rights.

Due to the uncertainty of the outcome of Hyflux's ongoing reorganisation process and the unpredictability of the financial outlook for 2019, Hyflux is therefore currently unable to assess and disclose the financial impact of the arbitration proceedings on the Hyflux group for the current financial year ending 31 December 2019.

Hyflux will update shareholders as and when there are material developments concerning this matter.

**BY ORDER OF THE BOARD**

**LIM POH FONG**
**COMPANY SECRETARY**

**SUBMITTED ON 8 MARCH 2019 TO SGX-ST**