

15 December 2020

**To Holders of:**

1. **S\$500,000,000 6.00% Perpetual Capital Securities (SGX-BTWZ)**
2. **S\$400,000,000 8.00% Cumulative Non-Convertible Non-Voting Perpetual Class A Preference Shares (SGX:N2H)**
3. **S\$100,000,000 4.20% Notes Due 2019 (ISIN: SG6W23985057)**
4. **S\$100,000,000 4.25% Notes Due 2018 (ISIN: SG6Q70974010)**
5. **S\$65,000,000 4.60% Notes Due 2019 (ISIN: SG6Q77974112)**

**(“Holders”)**

Dear Sir/Madam,

**Hyflux Ltd (Under Judicial Management) and Hydrochem (S) Pte Ltd (Under Judicial Management) (“Companies”)**

1. The Judicial Managers refer to the announcement on 30 November 2020 (“November Announcement”).
2. Since the Judicial Managers’ appointment, the Judicial Managers’ work has focused on:
  - 2.1 discharging their statutory obligations including through distributing notices of the Judicial Managers appointments;
  - 2.2 securing and identifying the premises of the Companies in Singapore;
  - 2.3 working with the Companies’ management and employees;
  - 2.4 protecting the books and records of the Companies, including to secure a back-up of the Companies’ servers;
  - 2.5 securing and preserving the Companies’ available cash; and
  - 2.6 working with the Companies’ key management and project managers to (1) obtain an understanding of the status of the projects; and (2) ensuring that the operations of the projects continue without impediment.

3. A primary focus of the Judicial Managers has been to identify an investor for the Companies and facilitate a suitable restructuring for the Companies. Since the November Announcement, the Judicial Managers have:
  - 3.1 advertised for expressions of interest (“EOIs”) from potential investors in Singapore and internationally; and
  - 3.2 contacted 5 investors who had previously expressed an interest in the Companies, and continue to work with some of those investors.
4. The Judicial Managers are also in discussions with 14 new potential investors who have contacted the Judicial Managers since their appointment. The Judicial Managers appreciate that the identity of the investors plays an important role in determining the appropriateness of any investor. However, many of these investors have only recently contacted the Judicial Managers and at this very early stage, the Judicial Managers are unable to disclose the identities of these investors.
5. The Judicial Managers hope to be able to identify a suitable investor, on or before 31 January 2021 and will keep all Holders informed of their progress.
6. In the meantime, should you have any queries or require any further information, please send them to the Judicial Managers at [hyfluxholders@borrelliwalsh.com](mailto:hyfluxholders@borrelliwalsh.com). We seek your understanding that, given the volume of queries the Judicial Managers have received, it will not be able to respond to your questions individually. Instead, the Judicial Managers are preparing a questions and answers list to address all the queries received, which will be released in due course.

Yours truly



Patrick Bance  
Joint and Several Judicial Manager  
Hyflux Ltd (Under Judicial Management)  
Hydrochem (S) Pte Ltd (Under Judicial Management)