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

Updates on Reorganisation Process

The Board of Directors of Hyflux Ltd. (the "**Company**") refers to its announcements made on:

A. 19 June 2018 that:

(i) pursuant to applications filed by the Company and four of its subsidiaries, namely Hydrochem (S) Pte Ltd, Hyflux Engineering Pte Ltd, Hyflux Membrane Manufacturing (S) Pte. Ltd. and Hyflux Innovation Centre Pte. Ltd. (the "**Applicants**"), the High Court of the Republic of Singapore granted orders for a six (6)−month moratorium pursuant to Section 211B(1) of the Singapore Companies Act ("**Companies Act**"); and

(ii) the Company's subsidiary, Tuaspring Pte Ltd, has applied for a moratorium pursuant to Section 210(10) of the Companies Act via HC/OS 731/2018 ("**OS 731**").

B. 25 May 2018, 28 May 2018, 4 June 2018, 11 June 2018 in relation to the updates on the court supervised reorganisation process.

The Company wishes to announce that at the pre-trial conference for OS 731 held today, the Court directed that the hearing of OS 731 is to take place on 6 July 2018 at 2.30 pm at the Supreme Court of Singapore.

The Company wishes to clarify that multiple possible solutions are being considered by the Group as part of the court supervised reorganisation process, the process is dynamic and constantly evolving, and no firm decisions have been made in respect of any course of action.

In the light of certain statements published by third parties in relation to the Group and the court supervised reorganisation process, the Company wishes to caution that such statements may be speculative in nature, may not have been presented in its complete or accurate context, and may not reflect the current state of affairs, and accordingly, limited or no reliance should be placed on such statements. In particular, the Company wishes to make the following clarifications:

a. Hyflux and its subsidiaries (the "**Group**") are in discussions with the project finance lenders of the TuasOne Waste-to-Energy Project and the Qurayyat Integrated Water Project regarding access to funding to enable the completion of construction of these projects.

b. The cash balance of the Applicants as at 4 June 2018 of S$18.6 million refers only to the amount that is readily available to the Applicants (as opposed to the Group as a whole), and does not take into account amounts deposited in debt service reserve accounts as required by the project finance lenders or in fixed deposit accounts (over which there is no charge) as required by the banks issuing/renewing performance bonds, and amounts in overseas jurisdictions.

c. The Group consistently adopts an asset-light strategy, pursuant to which it will continue to explore opportunities to divest its completed projects, in particular, the Tuaspring Integrated Water and Power Project and the Tianjin Dagang Desalination Plant in China. This has been stated in multiple fora, including the Company's annual report for the financial year ended 31 December 2017 and the Company's subsequent periodic financial results announcement.

d. As mentioned above, the Group is currently exploring multiple possible solutions as part of the court supervised reorganisation process, including but not limited to rescue financing and the seeking of suitable investors, and will provide an update when a firm proposal has been formulated. Any injection of funds from investors may be applied towards a multitude of uses within the Group, including to pursue potential projects and completion of pending projects, depending on the terms of investment and the needs of the Group at the time.

Holders of securities of the Company are advised to exercise caution at all times when dealing in the shares of the Company, and if you are in any doubt, please seek appropriate independent professional advice before taking any action in respect of your securities in the Company.

Further material developments in relation to this reorganisation process will be shared by the Company via SGXNET as and when they arise.

BY ORDER OF THE BOARD

Lim Poh Fong
Company Secretary
Submitted to SGX-ST on 21 June 2018