



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

UPDATE ON THE JUDICIAL MANAGEMENT AND THE INVESTOR SEARCH PROCESS

Hyflux Ltd. (Under Judicial Management) (the “**Company**”, and together with its subsidiaries, the “**Hyflux Group**”) refers to its announcements made on:

1. 17 November 2020 in relation to the appointment of Messrs Hamish Alexander Christie and Patrick Bance as Judicial Managers of the Company pursuant to an Order of Court dated 16 November 2020;
2. 15 December 2020 in relation to the first update on the process of the judicial management and investor search for the holders of:
 - 2.1. S\$500,000,000 6.00% Perpetual Capital Securities (SGX-BTWZ);
 - 2.2. S\$400,000,000 8.00% Cumulative Non-Convertible Non-Voting Perpetual Class A Preference Shares (SGX:N2H);
 - 2.3. S\$100,000,000 4.20% Notes Due 2019 (ISIN: SG6W23985057);
 - 2.4. S\$100,000,000 4.25% Notes Due 2018 (ISIN: SG6Q70974010);
 - 2.5. S\$65,000,000 4.60% Notes Due 2019 (ISIN: SG6Q77974112); and(collectively, “**Holders**”)
3. 5 January 2021 in relation to the virtual townhall meeting held on 14 January 2020, 6pm for the Holders.

(“**Previous Announcements**”)

Update on the Restructuring Process

4. 17 potential investors (“**Potential Investors**”) have signed non-disclosure agreements and are conducting preliminary due diligence for the purpose of submitting non-binding offers to the Judicial Managers, including parties previously known to the Company such as Strategic Growth Investments, FCC Aqualia and, Utico FZC.

5. Pison and OUE Limited have indicated that they are no longer interested in a potential investment.
6. The Potential Investors have been asked to submit non-binding offers on or before 31 January 2021. The Judicial Managers will invite shortlisted investors to participate in the second stage of the investor bidding process (“**Stage 2**”) on or about 15 February 2021.
7. During Stage 2, Shortlisted Investors will conduct detailed due diligence including site visits, onsite technical and operational due diligence and review more detailed information in the data room.
8. Shortlisted Investors will then be invited to submit binding offers. The Judicial Managers are not yet in a position to determine whether viable restructuring proposals will be submitted or whether a viable restructuring of the Hyflux Group is likely.

Frequently Asked Questions

9. In previous announcements, the Judicial Managers requested that Holders send any queries or requests for information to hyfluxholders@borrelliwalsh.com. With the benefit of those queries and requests, the Judicial Managers have compiled the following Frequently Asked Questions:

- 9.1. **What is the expected recovery from my investment in the Company?**

It is not possible to answer this question at present or to provide a range of likely outcomes, because the Judicial Managers do not know whether the investor process will result in a restructuring proposal for the Hyflux Group.

There will be some clarity in this regard after 31 January 2021.

- 9.2. **What are the options for the Holders at this stage?**

It is not possible to determine at this stage whether a credible investor can be identified, or whether a successful restructuring can be achieved. In the event a credible investor can be identified, the Judicial Managers will update the Holders through SGX announcements and address the options available to them.

- 9.3. **What is the outcome of investigations undertaken by Monetary Authority of Singapore (“MAS”), Accounting and Corporate Regulatory Authority (“ACRA”) and Commercial Affairs Department (“CAD”)?**

We understand that the investigations continue and the appointment of the Judicial Managers does not affect the ongoing investigations by MAS, ACRA and CAD in any material way.

- 9.4. **Are the Judicial Managers commencing any investigations?**

At this stage, the Judicial Managers’ primary focus is to facilitate a successful restructuring. In parallel, they are also undertaking a review of the assets, business, affairs and dealings of the Hyflux Group which will allow them to identify areas that may warrant further investigation. This review will take some

time to complete.

9.5. What are the next steps?

Potential Investors have until 31 January 2021 to submit non-binding bids, and if bids are received, on or about 15 February 2021, the Judicial Managers will invite Shortlisted Investors to participate in the second stage of the investor process.

Contact details of the retail investors' committee and telegram chat

10. The Judicial Managers have been contacted by a group of six individuals who have formed a committee to represent the Holders.
11. The Judicial Managers will be working with this committee to facilitate ongoing dialogue between the Judicial Managers and the Holders.
12. Any Holders interested in joining and receiving updates from this committee may join the following chat group and/or email the following email address:
 - 12.1. Telegram group chat link: <https://t.me/HyfluxPnp>; and
 - 12.2. Committees' Email: hyfluxretailpnp@gmail.com

Submitted by the Judicial Managers

For and On Behalf of Hyflux Ltd (Under Judicial Management)

Patrick Bance and Hamish Alexander Christie
Borrelli Walsh Pte. Limited
18 January 2021