



HYFLUX LTD

Company Registration No.: 200002722Z

(Incorporated in the Republic of Singapore)

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## UPDATES ON REORGANISATION PROCESS – TUASPRING INTEGRATED WATER AND POWER PROJECT

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Hyflux Ltd. (the "**Company**") refers to its announcement dated 5 March 2019 on the notice from the Public Utilities Board ("**PUB**") to Tuaspring Pte. Ltd. ("**Tuaspring**") dated 5 March 2019 ("**PUB Notice**") and to the press release also dated 5 March 2019 from PUB in relation to the PUB Notice ("**Press Release**").

The PUB Notice asserted certain defaults under the Water Purchase Agreement entered into between PUB and Tuaspring dated 6 April 2011 (as amended and/or restated from time to time) ("**WPA**") and required Tuaspring to remedy the asserted defaults by 5 April 2019 failing which, as stated in the Press Release, PUB would "*exercise its right to terminate the WPA and take control of the plant*".

The Company wishes to announce that on 20 March 2019, Tuaspring requested for certain clarifications from PUB including whether, if there were to be a termination of the WPA, PUB will elect to purchase the entire Tuaspring Integrated Water and Power Project or only the desalination plant and shared infrastructure ("**Desalination Plant**"). Tuaspring also asked, in the scenario where PUB were to elect to purchase only the Desalination Plant, if, PUB would claim the compensation sum likely to be payable by Tuaspring to PUB under the WPA, the terms of which are strictly confidential and cannot be referenced.

The Company also wishes to announce that PUB has informed Tuaspring that in the event PUB elects to terminate the WPA (on the basis that Tuaspring has been unable to fully resolve all asserted defaults by 5 April 2019), PUB will elect to purchase only the Desalination Plant and in such event, will be willing to waive the compensation sum that may be payable by Tuaspring which PUB is entitled to pursuant to the WPA.

As announced on 5 March 2019, under the Restructuring Agreement with SM Investments Pte Ltd ("**Investor**") dated 18 October 2018 ("**Restructuring Agreement**"), termination of the WPA, regardless of cause, may entitle the Investor to assert a right to terminate the Restructuring Agreement. The Investor would need to agree to waive any Prescribed Occurrence that arises as a result of the termination of the WPA. In light of this, the Company has, on a "without prejudice" basis, reached out to the Investor. The Company acknowledges, however, that there is no obligation on the Investor to vary the Restructuring Agreement. The Company will make further announcements as and when there are material developments.

*Please monitor SGXNet and the Company's website for any announcements or updates on the Reorganisation. If you are a holder of any securities of the Company and wish to receive email alerts providing these updates, please register your request at <http://investors.hyflux.com/contacts.html>. Otherwise, all information and updates will be disseminated via SGXNet and/or the Company's website (<https://www.hyflux.com/financial-reorganisation-exercise/>).*

*Shareholders and holders of the Securities are advised to exercise caution at all times when dealing in the shares and/or Securities, and should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.*

**BY ORDER OF THE BOARD**

**Lim Poh Fong**

**Company Secretary**

**Submitted to SGX-ST on 21 March 2019**