THIS DOCUMENT IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF ELIGIBLE CREDITORS. If the Eligible Creditors (as defined below) are in doubt about any aspect of the Invitation (as defined below) and/or the action they should take, they should seek their own financial advice immediately from their stockbroker, bank manager, solicitor, tax advisor, accountant or other independent financial advisor.

AQUA MUNDA PTE. LTD.

UEN: 201942487W

(incorporated in Singapore)

INVITATION

FOR OFFERS TO BE TENDERED IN RELATION TO THE PURCHASE BY AQUA MUNDA PTE. LTD. (THE "INVESTOR") OF THE OUTSTANDING:

(1) **S$100,000,000 4.25% NOTES DUE 2018 (ISIN: SG6Q70974010), S$65,000,000 4.60% NOTES DUE 2019 (ISIN: SG6Q77974112), S$100,000,000 4.20% NOTES DUE 2019 (ISIN: SG6W23985057),**

EACH ISSUED BY HYFLUX LTD (THE "COMPANY") (COLLECTIVELY, THE "NOTES")

(2) **OTHER SENIOR UNSECURED DEBTS, CONTINGENT DEBTS, AND/OR TRADE AND OTHER DEBTS**

OF HYFLUX LTD, HYDROCHEM (S) PTE LTD, HYFLUX MEMBRANE MANUFACTURING (S) PTE. LTD. AND/OR HYFLUX ENGINEERING PTE LTD (COLLECTIVELY, THE "UNSECURED AND CONTINGENT DEBTS")

((1) AND (2) ABOVE, COLLECTIVELY, THE "ELIGIBLE DEBTS")

The Invitation will open on **30 December 2019** at 9 a.m. (Singapore time) and will expire at 5 p.m. (Singapore time) on **10 January 2020**, unless extended or earlier terminated (such date, as the same may be extended or earlier terminated, the "**Expiration Deadline**"). An Eligible Creditor (as defined below) who desires to participate in the Invitation must tender its offer by submitting one (1) Tender Application Form on or prior to the Expiration Deadline. Upon the terms and subject to the conditions of the Invitation and further subject to the Investor's acceptance of any tendered offers in its sole and absolute discretion, the Investor will inform Eligible Creditors who submitted offers of the results and applicable proration rate (if any) within 45 calendar days after the Expiration Deadline or on such earlier or later date as the Investor shall determine (the "**Acceptance Deadline**"). The Investor's obligation to make payment in respect of any of the Accepted Bids is subject to satisfaction or waiver of the Tender Settlement Conditions.

An invitation memorandum will be issued by the Investor (the "**Invitation Memorandum**") as soon as practicable but no later than 27 December 2019 and will be provided to the Company for uploading onto the SGXNET at the same time. **The terms and conditions of the Invitation will be set out in the Invitation Memorandum.**

(1) Invitation

The Investor hereby invites persons who are:

(a) holders or Beneficial Owners of the Notes; and/or

(b) unsecured creditors of the Group holding the Unsecured and Contingent Debts (namely, the Other Senior Unsecured Debts, Contingent Debts, and/or Trade and Other Debts),

(persons falling under (1)(a) and/or (1)(b) above, collectively termed as the "**Eligible Creditors**"),

to tender offers for the Investor (or its designated purchaser) to purchase for cash and subject to the conditions of the Invitation Memorandum (as may be amended or supplemented from time to time) (the "**Invitation**") and further subject to the Investor's acceptance of any tendered offers in its sole and absolute discretion. The Invitation Memorandum contains details and instructions as to how an offer may be tendered by an Eligible Creditor.

The Investor believes that, as of the date hereof, the total principal amount constituting the Eligible Debts is approximately S$1.8 billion, including contingent liabilities of some S$750 million.

An Eligible Creditor may offer to sell, but only on the terms and subject to the conditions set out in the Invitation Memorandum (the "**Stated Terms and Conditions**"), all or some of the outstanding Eligible Debts held by it by submitting **one (1)** validly completed Tender Application Form on or prior to the Expiration Deadline. An offer to sell on terms or subject to conditions other than the Stated Terms and Conditions may render such an offer as invalid. The form of the Tender Application Form will be appended to the Invitation Memorandum. The Investor may in its sole and absolute discretion extend, shorten, amend and/or withdraw the Invitation and will make the necessary notifications accordingly.

The Investor shall, at its sole and absolute discretion, determine which of the tendered offers to accept and shall not be bound to give any grounds for the acceptance or rejection of any tendered offer.

In respect of the tendered offers that the Investor, at its sole and absolute discretion, may accept (the "**Accepted Bids**"), and subject to (i) (with respect to Contingent Debts) the Contingent Debts having met certain conditions set out in the Invitation Memorandum, (ii) any pro-rating, and (iii) satisfaction or waiver of the Tender Settlement Conditions, the Investor will pay, as consideration for the purchase of the Offered Debt that is the subject of the Accepted Bid, an amount equal to the Offered Debt that is the subject of the Accepted Bid less an amount equal to the Offered Discount multiplied by the Offered Debt in respect of the Accepted Bid. The terms of and details relating to settlement will be set out in the Invitation Memorandum. **For the avoidance of doubt, the Investor retains the right in any event to choose not to accept any or all of the offers tendered by the Eligible Creditors.**

Any questions or requests for assistance may be directed to:

Duff & Phelps
(Attn: Mr. David Putnam)
Email: hyflux_rda@duffandphelps.com
Telephone: +852 2281 0153

Correspondence Address:
Level 3, Three Pacific Place, 1 Queen's Road East, Hong Kong

(the "Transaction Advisor")

IMPORTANT NOTE FOR NOTEHOLDERS:

Noteholders (whose Notes are held by a Direct Participant) who wish to offer to sell their Notes must contact such Direct Participant and instruct such Direct Participant to complete and submit the Tender Application Form.

(2) Procedure for Inspection and Collection of Documents

Inspection of documents relating to the Notes

If Noteholders wish to inspect the documents relating to the relevant Notes, they are to make the necessary request of the Trustee in accordance with the requirements under the relevant Trust Deed.

Collection of the Invitation Memorandum

Eligible Creditors may request for a copy of the Invitation Memorandum (which will contain the Tender Application Form) to be despatched to them by submitting a request via electronic mail or in writing to the Transaction Advisor at the electronic mail address or postal address stated above.

Hard copies of the Invitation Memorandum will be available for collection by the Eligible Creditors at such address to be advised in due course from 27 December 2019, between 10 a.m. and 4.00 p.m. (Singapore time) from Mondays to Fridays (excluding public holidays and eves of public holidays), up to 1.00 p.m. (Singapore time) on the Expiration Deadline.

Upon request, copies of the Invitation Memorandum may be made available to the Eligible Creditors by post (in respect of the Note holders, to addresses in Singapore only, and in respect of unsecured creditors of the Group other than the Noteholders, to addresses in Singapore or overseas) or electronic mail. As early as practicable, the Investor will deliver a copy of the Invitation Memorandum to the Trustee in respect of each Series of Notes.

As noted above, the Investor will request the Company to upload a copy of the Invitation Memorandum (which will contain the Tender Application Form) onto the SGXNET for Eligible Creditors to download.

(3) General

IMPORTANT: The Invitation does not constitute a solicitation in any circumstances in which such solicitation is unlawful. The Investor requires any person into whose possession the Invitation comes to inform themselves about, and to observe, any and all applicable restrictions in connection with the Invitation. None of the Investor or the Transaction Advisor will incur any liability for its own failure or the failure of any other person or persons to comply with the provisions of any such restrictions.

The Investor will, in due course, provide further information in relation to the proof of funds.

(4) Governing Law

This notice is governed by, and shall be construed in accordance with, Singapore law.

BY **AQUA MUNDA PTE. LTD.**
17 December 2019