



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 – TERMINATION OF COLLABORATION AGREEMENT

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

- (a) 6 July 2018 in relation to the agreement between the Company, Tuaspring Pte Ltd (“**Tuaspring**”) and Malayan Banking Berhad (“**Maybank**”) dated 5 July 2018 (the “**Collaboration Agreement**”) in respect of the process for the divestment of the Company’s interest in Tuaspring’s Integrated Water and Power Project (the “**Tuaspring IWPP**”), and to execute a binding agreement with a successful bidder or investor by the date stated therein (the “**Standstill Deadline**”);
- (b) 15 October 2018, 8 November 2018, 4 December 2018, 31 December 2018, 4 February 2019 and 28 February 2019 in relation to extensions of the Standstill Deadline; and
- (c) 5 March 2019, 21 March 2019, 29 March 2019, 4 April 2019 and 17 April 2019 in relation to the:
  - (i) termination of the Water Purchase Agreement entered into between the Public Utilities Board (“**PUB**”) and Tuaspring dated 6 April 2011 (as amended and/or restated from time to time) (the “**WPA**”); and
  - (ii) purchase of the desalination plant and shared infrastructure of the Tuaspring IWPP (the “**Desalination Plant and Shared Infrastructure**”), accompanied by a waiver of the compensation sum likely to be payable by Tuaspring to PUB under the WPA,

by the PUB.

### **Termination of Collaboration Agreement**

The Company wishes to announce that it and Tuaspring have today received a letter from Maybank (each through their respective solicitors) terminating the Collaboration Agreement with immediate effect and on the following premises:

- (a) Pursuant to the Collaboration Agreement, the Company and Tuaspring agreed to, *inter alia*, the execution of a binding agreement with a successful bidder/investor for the full settlement and discharge of Maybank’s Total Liabilities (as defined in the Collaboration Agreement) by the Standstill Deadline save for certain conditions as prescribed in the Collaboration Agreement; and
- (b) There has been no execution of a binding agreement with a successful bidder/investor by the extended Standstill Deadline. This constitutes a breach which is incapable of remedy under the Collaboration Agreement entitling Maybank to terminate the Collaboration Agreement.

**Notice of Maybank's intention to appoint receivers and managers over assets of Tuaspring apart from the Desalination Plant and Shared Infrastructure**

The Company further wishes to announce that it has received notices to PUB and the Energy Market Authority of Singapore issued by Maybank pursuant to the Direct Agreement between Tuaspring, PUB and Maybank dated 21 November 2013. These notices are in respect of an enforcement event and acceleration of the maturity of all amounts owing under the Tuaspring financing documents. Maybank has also stated its intention to appoint receivers and managers over the assets of Tuaspring save for the Desalination Plant and Shared Infrastructure.

In the interim, the operations of the power plant at the Tuaspring IWPP are expected to continue as usual.

The termination of the Collaboration Agreement is expected to have a material impact on the financial performance of the Group. The Company will make the appropriate announcements as and when there are any further material developments on this matter.

***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 securities issued by the Company 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 18 April 2019**