



HYFLUX LTD

Company Registration No.: 200002722Z

(Incorporated in the Republic of Singapore)

---

## REQUEST FOR ARBITRATION FILED BY ALGERIAN ENERGY COMPANY SPA AND UPDATES ON REORGANISATION PROCESS

---

Hyflux Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to its announcements on 29 March 2007, 16 January 2008 and 20 November 2018 in relation to the seawater desalination plant of 200,000 m<sup>3</sup>/day at Souk Tleta, Wilaya of Tlemcen, Algeria (the “**Plant**”) and wishes to announce that Algerian Energy Company SpA (“**AEC**”) has filed a Request for Arbitration dated 5 February 2019 (the “**Request**”) with the International Chamber of Commerce (“**ICC**”) International Court of Arbitration to commence arbitration proceedings against Tlemcen Desalination Investment Company SAS, Malakoff Corporation Berhad and the Company (collectively, the “**Respondents**”).

The Request was received by the Company on 22 March 2019 and is in respect of disputes arising out of and/or in connection with the Water Purchase Agreement dated 9 December 2007, the Framework Agreement entered into in December 2007, the Joint Venture Agreement dated 28 March 2007 and the Dispute Resolution Protocol dated 9 December 2007 in relation to the Plant, each agreement as amended and/or restated from time to time (collectively, the “**Agreements**”).

The Request is made pursuant to the terms of the Agreements, which provide that all disputes shall be referred to arbitration administered by the ICC in Paris.

Pursuant to Article 5(1) of the ICC Rules of Arbitration, the Respondents have 30 days from the receipt of the Request to submit an answer to the Request. As the Request was received by the Company on 21 March 2019, the Company has until 20 April 2019 to file an answer.

The Respondents are currently seeking legal advice on AEC’s claims, and will take all necessary steps to protect their rights.

Due to the uncertainty of the outcome of the Company's ongoing reorganisation process and the unpredictability of the financial outlook for 2019, the Company is therefore currently unable to assess and disclose the financial impact of the arbitration proceedings on the Group for the current financial year ending 31 December 2019.

The Company will update shareholders as and when there are material developments concerning this matter.

Separately, it has come to the attention of the Company that there have been media articles recently containing unverified and speculative statements concerning the Group and the court supervised reorganisation process.

In particular, in a Straits Times Article dated 23 March 2019, an anonymous source allegedly stated that Ms Olivia Lum had received dividends based on her ordinary shareholding in the Company at a time when it was making losses. This is incorrect. As stated in the Company's letter to the Securities Investors Association (Singapore) dated 15 February 2019 (which can be accessed at <https://www.hyflux.com/wp-content/uploads/2019/02/Hyflux-responses-to-SIAS-letter.pdf>), Ms Lum only received dividends based on her ordinary shareholding in the Company from 2007 to 2016 during which the Company recorded cumulative profit after tax. It was not until 2017 that the Company recorded a net loss and no cash dividends were declared for 2017 onwards. It is to be noted that 2017 is the first year that Hyflux had recorded a net loss in its operating history.

The same article also raised the possibility of breaches of Singapore's strict listing rules on continuous disclosure. The Company has been committed to corporate transparency and material disclosures at all times.

The Company would urge the public to rely solely on information provided by the Company in its announcements and disclosures through SGXNet or other media which are made in accordance with the applicable rules and regulations, and not through information from third party sources that may be incomplete or inaccurate.

***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 ON 25 MARCH 2019 TO SGX-ST**