



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



## JOINT ANNOUNCEMENT – UPDATE

Hyflux Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") and Utico FZC ("**Utico**", together with the Company, the "**Parties**") refer to the ongoing court supervised reorganisation process and the Company's announcements on 25 April 2019 and 3 May 2019 in relation to receipt by the Company of a non-binding letter of intent from Utico for an investment in the Company.

The Parties wish to update that post the 27<sup>th</sup> June 2019 deadline for the Parties entering into a binding agreement, there have been informal discussions ongoing between the Parties in respect of Utico's proposed investment in Hyflux Ltd ("**Proposed Investment**") and the Parties are now progressing towards a deal subject to approvals from all stakeholders and definitive documents being finalised and entered into.

The Proposed Investment involves the Parties working together to implement a deal which will see Utico invest in a 88.0% equity stake in the Company for an investment amount comprising S\$300 million as equity and S\$100m as a shareholder loan. This is subject to discussions being completed with the relevant stakeholders and definitive documents being executed expeditiously. The Parties are cognisant of time being of the essence to preserve value.

Utico has also informed Hyflux of its present intention to offer the cash equivalent of a 4% stake in the enlarged Utico group plus additional cash to the holders of preference shares and perpetual capital securities, the details of which will be announced prior to a townhall to be convened for the holders of preference shares and perpetual capital securities.

The Parties have been actively engaged in discussions over the past few weeks including face-to-face meetings. The Parties have also, on 9 and 10 July 2019, met with representatives of various stakeholder groups to discuss the Proposed Investment for an agreement.

The intention is for the Parties to enter into definitive documentation in respect of the Proposed Investment as soon as possible, and to hold town hall meetings in the coming weeks for the holders of perpetual securities and preference shares and the holders of medium term notes ideally before the next court hearing. Details of the Proposed Investment will be announced prior to the town hall meetings and the appropriate announcements will be made when the definitive agreements are entered into and when there are any further material developments on the above matter.

***Please monitor SGXNet and the Company's website for any announcements or updates on the Company's reorganisation process. 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 that there is no assurance that the Proposed Investment will take place and should accordingly, 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 OF HYFLUX**

**Lim Poh Fong and Chiang Chai Foong  
Joint Company Secretaries  
Submitted to SGX-ST on 11 July 2019**

**BY JAYAKRISHNAN BHASKARAN**

**Manager, Corporate Communications  
UTICO FZC**