



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 NOTICE FROM THE PUBLIC UTILITIES BOARD (“PUB”)

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

- (a) 5 March 2019 (the “**5 March Announcement**”) in relation to Tuaspring Pte. Ltd. (“**Tuaspring**”), a subsidiary of the Company, having received a notice from PUB dated 5 March 2019 (“**PUB Notice**”) asserting certain defaults by Tuaspring under the Water Purchase Agreement entered into between PUB and Tuaspring dated 6 April 2011 (as amended and/or restated from time to time) (the “**WPA**”);
- (b) 21 March 2019 (the “**21 March Announcement**”) in relation to clarifications sought by the Company from PUB and PUB’s clarifications that in the event PUB elects to terminate the WPA (on the basis that Tuaspring has been unable to remedy the defaults asserted in the PUB Notice by 5 April 2019), PUB will: (i) elect to purchase only the Desalination Plant (as defined in the 21 March Announcement); and (ii) not claim the compensation sum likely to be payable by Tuaspring to PUB under the WPA in the event that PUB purchases the Desalination Plant;
- (c) 29 March 2019 in relation to PUB’s grant of extension of the Default Cure Period (as defined in the 5 March Announcement) subject to the occurrence of certain events listed therein; and
- (d) 4 April 2019 (the “**4 April Announcement**”) in relation to the termination of the restructuring agreement between the Company and SM Investments Pte Ltd dated 18 October 2018 and update on the 5 April 2019 and 8 April 2019 scheme meetings (each a “**Scheme Meeting**” and collectively, the “**Scheme Meetings**”) and 15 April 2019 extraordinary general meeting.

The Company wishes to announce that Tuaspring has today received a notice of termination of the WPA (the “**Termination Notice**”). The Termination Notice provides for a 30 day notice period, at the end of which the WPA will be terminated, and is premised on the following:

- (a) In the Company’s 4 April Announcement, the Company stated that the Scheme Meetings were cancelled; and
- (b) PUB’s agreement to extend the Default Cure Period to 30 April 2019 being immediately rescinded on 5 April 2019 because approval for the Company’s scheme of arrangement was not obtained at the 5 April 2019 Scheme Meeting.

Pursuant to the WPA, PUB has elected to purchase the Desalination Plant. Though not stated in the Termination Notice, as clarified by PUB in their letter of 21 March 2019 to Tuaspring and the 21 March Announcement, PUB has previously expressed that it would be willing to waive the compensation sum likely to be payable by Tuaspring to PUB under the WPA.

The termination of the WPA 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 17 April 2019**