



HYFLUX LTD

Company Registration No.: 200002722Z

(Incorporated in the Republic of Singapore)

UPDATES ON REORGANISATION PROCESS – DEMAND BY BNP PARIBAS

Hyflux Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to its announcement on 23 April 2019 (the “**23 April Announcement**”) in relation to certain claims on performance bonds issued in respect of the Desalination Plant of 500,000 m³/day in Magtaa, Oran, Western Algeria (the “**Magtaa Project**”).

Further to the issue of a claim made by the project company for the Magtaa Project, Tahlyat Myah Magtaa SpA (“**TMM**”) in respect of a performance bond issued by BNP Paribas El Djazaïr (“**BNP Paribas**”), the Company wishes to announce that it has received a letter from BNP Paribas (acting through its Singapore branch), in which BNP Paribas declared to be due and payable the aggregate sum of US\$57,730,008.53. This sum includes the claim amount and handling commission, fees and charges, including those due and payable from the period of 1 April 2018 to 8 May 2019.

As stated in the 23 April Announcement, the Company disputes TMM's right to make such claim and is taking appropriate legal steps, including having filed an injunction application against the issuer of the performance bond that guarantees payment of claims by TMM.

The demand from BNP Paribas, like the claims referenced in the 23 April Announcement, 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 the above matters.

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 6 May 2019