



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

UPDATES ON REORGANISATION PROCESS – CLARIFICATION ON STATEMENTS MADE BY UTICO FZC IN THE MEDIA

Hyflux Ltd. (the "**Company**") refers to:

- (a) its announcements on 25 April 2019 and 3 May 2019 in relation to the receipt of a non-binding letter of intent from Utico FZC ("**Utico**") for a possible injection of S\$400 million to be used for equity and working capital purposes and possible urgent interim funding;
- (b) its announcement on 14 May 2019 in relation to clarification on statements made by Utico in the media regarding the status of discussions on the Potential Investment by Utico (the "**14 May Announcement**"); and
- (c) the Straits Times article dated 27 May 2019 titled "*UAE's Utico offers 'part cash redemption' to Hyflux junior creditors*" (the "**Article**").

Ongoing discussions with potential investors

The Article states that Utico is offering "part cash redemption and also a hope for full redemption with a plan and exit option". In particular, Utico is quoted as saying that "small investors of up to \$2,000 to \$3,000 could get 50 per cent cash redemption along with full redemption opportunity, while the rest of the investors could get a similar, but staggered and cascade deal".

The meeting referred to in the Article (the "**Meeting**") was attended by representatives of Utico, the Company and the Securities Investors Association (Singapore), as well as the respective advisors to Utico, the Company and the informal steering committee for perpetual security holders and preference shareholders (the "**P&P ISC**" and "**P&Ps**"). Having received confirmation of the same by the legal advisors to the P&P ISC, the Company wishes to clarify that the discussion at the Meeting was focused on high-level views which entailed no conclusive numbers or percentages, or indeed any binding agreement, whether in respect of the P&Ps or any other stakeholder groups.

Further, the Company and its advisors understand that the statements quoted in the Article are exploratory in nature and are approaches currently contemplated by Utico.

The Company is in continued talks with several potential investors, including Utico, and material developments have been announced on SGXNet as appropriate. As mentioned in the 14 May Announcement, the Company had not accepted or entered into the term sheet received from the advisors to Utico on 6 May 2019. This position has not changed.

Investors are urged to rely on information provided by the Company in its announcements and disclosures through SGXNet which are made in accordance with the applicable rules and regulations. In this regard, the Company will make the appropriate announcements as and when there are any further material developments on the matters above.

Please monitor SGXNet and the Company's website for any announcements or updates on the Company's 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 of the Company, 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 28 May 2019**