

5 January 2021

To Holders of:

1. **S\$500,000,000 6.00% Perpetual Capital Securities (SGX-BTWZ)**
2. **S\$400,000,000 6.00% Cumulative Non-Convertible Non-Voting Perpetual Class A Preference Shares (SGX:N2H)**
3. **S\$100,000,000 4.20% Notes Due 2019 (ISIN: SG6W23985057)**
4. **S\$100,000,000 4.25% Notes Due 2018 (ISIN: SG6Q70974010)**
5. **S\$65,000,000 4.60% Notes Due 2019 (ISIN: SG6Q77974112)**

(“Holders”)

Dear Sir/Madam,

Hyflux Ltd (Under Judicial Management) and Hydrochem (S) Pte Ltd (Under Judicial Management) (“Companies”)

1. The Judicial Managers refer to Hyflux’s announcements dated 27 November 2020 and 15 December 2020 (“Previous Announcements”).

Town Hall Meeting

2. A virtual townhall meeting for all Holders is to be held on **14 January 2021 (Thursday), 6pm** (Singapore time) (“Meeting”).
3. Holders who are interested in joining the Meeting must register by **11 January 2021 (Monday), 6pm** (Singapore time) at the following registration site:

Registration site: <https://septusasia.com/hyflux-vtm-registration/>

4. Should you have any queries which you wish to be addressed during the Meeting, please email your queries to hyfluxholders@borrelliwalsh.com for P&P holders and hyfluxnotes@borrelliwalsh.com for MTN holders by **8 January 2021 (Friday), 6pm**.

Frequently asked questions

5. In Previous Announcements, the Judicial Managers requested that Holders send any queries or requests for information to hyfluxholders@borrelliwalsh.com or hyfluxnotes@borrelliwalsh.com. With the benefit of those queries and requests, the Judicial Managers have compiled the following Frequently Asked Questions (“FAQ”). Should Holders have further queries or requests, please send them to hyfluxholders@borrelliwalsh.com or hyfluxnotes@borrelliwalsh.com and the Judicial Managers will endeavor to respond to them before or at the Meeting.

5.1. When is the virtual townhall meeting to be held?

Please refer to paragraph 2 above.

5.2. How do I join the Meeting?

The Holders who have registered their interest in attending the Meeting at <https://septusiasia.com/hyflux-vtm-registration/>, will receive an email by 13 January 2021 enabling access to the Meeting.

5.3. How do I submit a question(s) to the Judicial Managers ahead of the Meeting?

Please refer to paragraph 4 above.

5.4. How do I obtain announcements from the Judicial Managers?

All announcements to Holders will be published on the SGX – like this Announcement.

5.5. How much can I expect to recover from my investment in Hyflux?

The timing and amount of any recovery for the Holders is, at this stage, uncertain and is influenced by several factors including:

- 5.5.1. the outcome of the investor process which is currently underway;
- 5.5.2. the terms of any proposed restructuring agreement; and
- 5.5.3. the successful execution of any proposed restructuring agreement.

The Judicial Managers will provide an update of the investor search and restructuring process during the Meeting.

5.6. What is the timeline of the investor search process?

The timeline for Stage 1 of the investor search process is set out below:

Stage	Description	Estimated Timeline
Stage 1: Non-Binding Offers		
1.1	Issue Investor Bidding Process Letter and Information Memorandum (“IM”)	20 December 2020
1.2	Potential Investors to submit Non-Binding Offers to JMs in format set out at “Stage 1 Submission Instructions” and “Stage 1 General Content Guidelines” below	31 January 2021
1.3	JMs to issue notice to Shortlisted Investors confirming their invitation to participate in Stage 2 of Investor Bidding Process	14 February 2021

14 potential investors are currently undertaking enquiries in respect of an investment in Hyflux. The Judicial Managers will develop a timeline for any Stage 2 of the restructuring upon the completion of Stage 1.

5.7. What work have the Judicial Managers undertaken since their appointment on 16 November 2020?

Since the Judicial Managers' appointment, the Judicial Managers' work has focused on the possible restructuring of the Companies and has also included:

- 5.7.1. discharging their statutory obligations including through distributing notices of the Judicial Managers' appointments;
- 5.7.2. securing and identifying the premises of the Companies in Singapore;
- 5.7.3. protecting the books and records of the Companies, including to secure a back-up of the Companies' servers;
- 5.7.4. securing and preserving the Companies' available cash;
- 5.7.5. working with the Companies' key management and project managers to (1) obtain an understanding of the status of the projects; and (2) ensuring that the operations of the projects continue without impediment;
- 5.7.6. contacting potential investors who had previously expressed interest in the Companies to determine whether they remain interested in investing in the Companies;
- 5.7.7. sourcing new potential investors locally and internationally; and
- 5.7.8. collating and analysing relevant information and data of the Companies to prepare an information memorandum and populating a data room with relevant information which will be made available to potential investors in stage 2 of the investor process.

5.8. Are the Judicial Managers commencing any investigations?

Paragraph 5(b) of the Orders of Court dated 16 November 2020 (HC/ORC 6366/2020 and HC/ORC 6367/2020), authorises the Judicial Managers to "*ascertain and conduct all investigations in to the assets, business, affairs and dealings of the [Companies] as the Judicial Managers see fit*".

The Judicial Managers' primary focus is to facilitate a successful restructuring and the Judicial Managers are also undertaking a review of the assets, business, affairs and dealings of the Hyflux Group.

5.9. Does the appointment of the Judicial Managers affect the ongoing investigations carried out by MAS, ACRA and CAD?

The appointment of the Judicial Managers is unlikely to affect the ongoing investigations by MAS, ACRA and CAD in any material way.

5.10. How long is the term of the Judicial Management?

The Judicial Managers' appointment expires 180 days after the date of the Court Order on Saturday, 15 May 2021. The Judicial Managers may obtain an extension of the term of Judicial Management or apply for the discharge of the Judicial Management and place the companies into liquidation.

Any extension of the Judicial Management term will depend on a number of matters and in particular, whether a successful restructuring is likely.

Yours truly



Patrick Bance
Joint and Several Judicial Manager
Hyflux Ltd (Under Judicial Management)
Hydrochem (S) Pte Ltd (Under Judicial Management)