

IN THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

HC/OS XXX/2019

In the Matter of Part VII, Section 210(1) of the
Companies Act (Cap 50)

And

In the Matter of **HYFLUX MEMBRANE
MANUFACTURING (S) PTE. LTD.**
(Singapore UEN No 200702494M)

... Applicant

SCHEME OF ARRANGEMENT

**PURSUANT TO SECTION 210
OF THE COMPANIES ACT (CAP 50, 2006 REV ED)**

Between

HYFLUX MEMBRANE MANUFACTURING (S) PTE. LTD.
(Singapore UEN No. 200702494M)

And

THE SCHEME PARTIES
(as defined herein)

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1. DEFINITIONS AND INTERPRETATION

1.1 In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meanings:

“**211B Proceedings**” means the applications for a moratorium under Section 211B(1) of the Act filed by each of Hyflux, HE, Hyflux Innovation Centre Pte Ltd, the Company and Hydrochem, *vide* HC/OS 633/2018, HC/OS 634/2018, HC/OS 635/2018, HC/OS 636/2018 and HC/OS 638/2018, respectively, and all associated proceedings therein.

“**Accepted**” means, in relation to a Scheme Claim, the acceptance by the Chairman of such Claim (or part thereof) for the purposes of determining entitlement to attend and vote at the Scheme Meetings without dispute or, where applicable, the acceptance or determination by the Independent Assessor of such Claim (or part thereof) for such purpose in accordance with the Proof Regulations.

“**ACRA**” means the Accounting and Corporate Regulatory Authority of Singapore.

“**Act**” means the Companies Act, Chapter 50 of Singapore.

“**Additional General Claims Cash Consideration**” means the Second HMM Claim Cash Consideration.

“**Base Currency Conversion Rate**” means the conversion rate of any foreign currency denomination to dollars (S\$) as published in The Business Times on [1 March 2019].

“**Base General Claims Cash Consideration**” means cash of an amount equal to [S\$2,790,000].

“**Business Day**” means a day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for business in Singapore.

“**Chairman**” means the chairman of the Scheme Meetings appointed pursuant to Section 211F(5) of the Act.

“**Claim**” means any Liability of the Company of a monetary value of more than S\$5,000, together with any of the following matters relating to or arising in respect of such Liability:

- (a) any refinancing, novation, deferral or extension;
- (b) any claim for breach of guarantee, representation, warranty and/or undertaking or an event of default or under any indemnity given under or in connection with any document or agreement evidencing or constituting any other Liability falling within this definition;
- (c) any claim for damages or restitution; or
- (d) any amounts which would be included in any of the above but for any discharge, non-provability, unenforceability or non-allowance of those amounts in any insolvency or other proceedings.

“**Company**” means Hyflux Membrane Manufacturing (S) Pte Ltd, a company incorporated in Singapore with registration number 200702494M, whose registered office is located at 80 Bendemeer Road, Hyflux Innovation Centre, Singapore 339949.

“**Conditions Precedent**” means the Conditions as defined in the Restructuring Agreement and the Conditions Precedent as defined in the Loan Agreement.

“**Constitutional Documents**” means the Memorandum and Articles of Association and any other constituent documents of the Company.

“**Court**” means the High Court of Singapore.

“**Distribution Expiry Date**” means the date falling two (2) years and six (6) months after the Restructuring Effective Date.

“**Excluded Claim**” means:

- (a) any Claim of Tuaspring Pte Ltd;
- (b) any Claim of Hyflux Energy Pte Ltd; or
- (c) any Claim which is not as at 22 May 2018 a legally valid and binding debt of a definite amount then actually due from the Company, save for Claims set out in Schedule 3.

“**Explanatory Statement**” means the explanatory statement issued by the Company and dated 2019 relating to this Scheme.

“**Final Distribution Date**” means the date on which all Scheme Consideration shall have been issued and/or distributed (as applicable) to the Scheme Parties.

“**Final General Claim Cash Payout**” means in respect of each Accepted General Claim, a cash payout to be calculated in the following manner:

$$FGCCP = \frac{a - S\$5,000}{d - S\$5,000 \times e} \times \sum ITTCP \quad FGCCP = \frac{a - S\$5,000}{d - S\$5,000 \times e} \times AGCCG$$

where:

a is the value of the subject Accepted General Claim;

d is the total value of all Accepted General Claims;

e is the total number of General Claimants with Accepted General Claims;

~~$\sum ITTCP$ is the value of the sum of all Initial TuasOne Trade Claim Cash Payouts;~~
and $AGCCG$ is the Additional General Claims Cash Consideration; and

FGCCP is the Final General Claim Cash Payout for the subject Accepted General Claim, to be rounded down to the nearest cent.

“**Final TuasOne Trade Claim Cash Payout**” means in respect of each Accepted TuasOne Trade Claim, a cash payout to be calculated in the following manner:

$$FTTCCP = \frac{b - S\$5,000}{f - S\$5,000 \times g} \times (y - \sum ITTCCP)$$

where:

b is the value of the subject Accepted TuasOne Trade Claim;

f is the total value of all Accepted TuasOne Trade Claims;

g is the total number of TuasOne Trade Claimants with Accepted TuasOne Trade Claims;

y is the value of the TuasOne Trade Claims Cash Consideration;

$\sum ITTCCP$ is the value of the sum of all Initial TuasOne Trade Claim Cash Payouts; and

FTTCCP is the Final TuasOne Trade Claim Cash Payout for the subject Accepted TuasOne Trade Claim, to be rounded down to the nearest cent.

[“First HMM Claim Cash Consideration” means the First HMM Claim Cash Consideration as defined in the Hydrochem Scheme to be paid out to the Company pursuant to Clause 4.3.1 of the Hydrochem Scheme.](#)

“General Claim” means the aggregate value of any Claim(s) of a General Trade Claimant or an Other Claimant.

“General Claimants” means the General Trade Claimants and the Other Claimants.

“General Claims Cash Consideration” means ~~cash of an amount equal to [S\$2,760,000]~~ the Additional General Claims Cash Consideration and the Base General Claims Cash Consideration to be distributed in the manner set out in Clause 4.1.

“General Trade Claim” means the aggregate value of any Claim(s) of a General Trade Claimant that is not an Excluded Claim.

“General Trade Claimant” means any and each of the parties as set out in Schedule 1 as supplemented, amended and restated from time to time.

“Group” means Hyflux and its Subsidiaries.

“HE” means Hyflux Engineering Pte. Ltd.

“HE Scheme” means the scheme of arrangement proposed by HE under Section 210 of the Act in its present form or with or subject to any modifications, additions or conditions approved or imposed by the Court or approved in accordance with its terms.

[“First HMM Claim Cash Consideration”](#) means the First HMM Claim Cash Consideration as defined in the Hydrochem Scheme to be paid out to the Company pursuant to Clause ~~4.3~~ 4.3.1 of the Hydrochem Scheme.

“Holding Period” means the period commencing on and from the Restructuring Effective Date and ending on the date falling six (6) months after the Final Distribution Date.

“HS Claim” means any Claim(s) of HyfluxShop Holdings Ltd or a Subsidiary of HyfluxShop Holdings Ltd that is not an Excluded Claim.

“HS Claimant” means any person that holds a HS Claim.

“Hydrochem” means Hydrochem (S) Pte. Ltd. a company incorporated in Singapore with registration number 198902670Z, whose registered office is located at 80 Bendemeer Road, Hyflux Innovation Centre, Singapore 339949.

“Hydrochem Scheme” means the scheme of arrangement proposed by Hydrochem under Section 210 of the Act in its present form or with or subject to any modifications, additions or conditions approved or imposed by the Court or approved in accordance with its terms.

“Hyflux” means Hyflux Ltd, a company incorporated in Singapore with registration number 200002722Z, whose registered office is located at 80 Bendemeer Road, Hyflux Innovation Centre, Singapore 339949.

“Hyflux Scheme” means the scheme of arrangement proposed by Hyflux under Section 210 of the Act in its present form or with or subject to any modifications, additions or conditions approved or imposed by the Court or approved in accordance with its terms.

“Independent Assessor” means an independent assessor appointed in accordance with the Proof Regulations.

“Initial General Claim Cash Payout” means in respect of each Accepted General Claim, a cash payout to be calculated in the following manner:

$$IGCCP = S\$5,000 + \left(\frac{a - S\$5,000}{c - S\$5,000 \times p} \times (x - S\$5,000 \times p) \right)$$

where:

a is the value of the subject Accepted General Claim;

c is the total value of all Accepted General Claims and all Accepted TuasOne Trade Claims;

p is the total number of General Claimants with Accepted General Claims and TuasOne Trade Claimants with Accepted TuasOne Trade Claims;

x is the value of the Base General Claims Cash Consideration; and

IGCCP is the Initial General Claim Cash Payout for the subject Accepted General Claim, to be rounded down to the nearest cent.

“Initial TuasOne Trade Claim Cash Payout” means in respect of each Accepted TuasOne Trade Claim, a cash payout to be calculated in the following manner:

$$ITTCP = S\$5,000 + \left(\frac{b - S\$5,000}{c - S\$5,000 \times p} \times (x - S\$5,000 \times p) \right)$$

where:

b is the value of the subject Accepted TuasOne Trade Claim;

c is the total value of all Accepted General Claims and all Accepted TuasOne Trade Claims;

p is the total number of General Claimants with Accepted General Claims and TuasOne Trade Claimants with Accepted TuasOne Trade Claims;

x is the value of the Base General Claims Cash Consideration; and

ITTCP is the Initial TuasOne Trade Claim Cash Payout for the subject Accepted TuasOne Trade Claim, to be rounded down to the nearest cent.

“**Intercompany Claim**” means the aggregate value of any Claim(s) of Hyflux or a Subsidiary of Hyflux that is not an Excluded Claim.

~~“**Intercompany Claim Cash Payout**” means in respect of each Accepted Intercompany Claim, a cash payout to be calculated in the following manner:~~

$$ITTCP = \frac{r}{s} \times ICCG$$

~~where:~~

~~*r* is the value of the subject Accepted Intercompany Claim;~~

~~*s* is the total value of all Accepted Intercompany Claims;~~

~~*ICCG* is the Intercompany Claims Cash Consideration; and~~

~~*ITTCP* is the Intercompany Claim Cash Payout for the subject Accepted Intercompany Claim, to be rounded down to the nearest cent.~~

“**Intercompany Claimant**” means any person that holds an Intercompany Claim.

~~“**Intercompany Claims Cash Consideration**” means cash of an amount equal to [S\$1].~~

“**Investor**” means SM Investments Pte Ltd.

“**Liability**” or “**Liabilities**” means any debt, liability or obligation whether it is fixed or undetermined, whether incurred solely or jointly or as principal or surety or in any other capacity, whether or not it involves the payment of money or performance of an act or obligation and whether it arises at common law, in equity or by statute, in Singapore or any other jurisdiction, or in any manner whatsoever. For the avoidance of doubt, Liability includes any debt, liability or obligation that is present, future, prospective, actual or contingent.

“**Loan Agreement**” means the shareholder’s loan agreement dated 18 October 2018 entered into between: (4*i*) Hyflux, as borrower; and (2*ii*) the Investor, as lender, and which is set out at Appendix [5] of the Explanatory Statement.

“**Long-Stop Date**” means the Long-Stop Date (as defined in the Restructuring Agreement)

or such later date agreed between Hyflux and the Investor.

“**MHI Settlement Agreement**” means the settlement agreement dated 15 February 2019 entered into between: (4*i*) Mitsubishi Heavy Industries, Ltd; (2*ii*) Mitsubishi Heavy Industries Asia Pacific Pte Ltd; (3*iii*) Mitsubishi Heavy Industries Environmental & Chemical Engineering Co, Ltd; (4*iv*) Hyflux; (5*v*) HE; (6*vi*) Hydrochem; (7*vii*) TuasOne Pte Ltd; and (8*viii*) TuasOne Environmental Engineering Pte Ltd, a copy of which is set out at Appendix [●] of the Explanatory Statement.

“**Other Claim**” means the aggregate value of any Claim(s) other than an Excluded Claim, a General Trade Claim, an ~~Intercompany~~ Subordinated Claim or a TuasOne Trade Claim.

“**Other Claimant**” means any person that holds an Other Claim.

“**Proof of Claim**” means a proof setting out the claim of a Scheme Party substantially in the form set out at Schedule 4 of this Scheme and Appendix [●] of the Explanatory Statement.

“**Proof Regulations**” means the Companies (Proofs of Debt in Schemes of Arrangement) Regulation 2017 (No S 245) of Singapore.

“**Record Date**” means 5:00 pm on 1 March 2019, being the latest time a Proof of Claim must be submitted to the Chairman to be assessed for the purposes of voting on this Scheme and determining the entitlements of the Scheme Parties to Scheme Consideration.

“**Restructuring**” means the financial and corporate restructuring of the Group in accordance with and as implemented through the 211B Proceedings, the Hyflux Scheme, the Hydrochem Scheme, the HE Scheme, the Scheme and the Restructuring Documents.

“**Restructuring Agreement**” means the restructuring agreement dated 18 October 2018 entered into between: (4*i*) Hyflux, as the target company; and (2*ii*) the Investor, as the investor, and which is set out at Appendix [●] of the Explanatory Statement.

“**Restructuring Documents**” means the Restructuring Agreement and the Loan Agreement.

“**Restructuring Effective Date**” means the later of: (4*i*) the date on which all of the Conditions Precedent (other than Clause 5.1(d) of the Restructuring Agreement) are fulfilled or waived; and (2*ii*) the Scheme Effective Date.

“**Scheme**” means the scheme of arrangement proposed by the Company under Section 210 of the Act in its present form or with or subject to any modifications, additions or conditions approved or imposed by the Court or approved in accordance with its terms.

“**Scheme Claims**” means the General Claims, the ~~Intercompany~~ Subordinated Claims and the TuasOne Trade Claims.

“**Scheme Consideration**” means, in respect of:

(a) the Accepted General Claims: the General Claims Cash Consideration;

(b) the Accepted TuasOne Trade Claims: the TuasOne Trade Claims Cash Consideration; and

~~(c) (b) the Accepted TuasOne Trade Claims: the TuasOne Trade Claims Cash Consideration; and (c) the Accepted Intercompany Claims: the Intercompany~~ Subordinated Claims: the Subordinated Claims Cash Consideration.

“**Scheme Effective Date**” means the date on which the Court order sanctioning the Scheme under the Act is lodged with ACRA.

“**Scheme Manager**” means the person appointed from time to time by the Court to administer the Scheme, which may include Ms Angela Ee of Ernst & Young Solutions LLP.

“**Scheme Meetings**” means the meetings convened pursuant to an order of the Court (and any meetings called following an adjournment) at which the Scheme will be considered and voted upon by the Scheme Parties and any adjournment thereof.

“**Scheme Parties**” means, the General Claimants, the ~~Intercompany~~ Subordinated Claimants and the TuasOne Trade Claimants.

“**Second General Claim Cash Payout**” means in respect of each Accepted General Claim, a cash payout to be calculated in the following manner:

$$FGCCP = \frac{a - S\$5,000}{d - S\$5,000 \times e} \times \sum ITTCCP$$

where:

a is the value of the subject Accepted General Claim;

d is the total value of all Accepted General Claims;

e is the total number of General Claimants with Accepted General Claims;

$\sum ITTCCP$ is the value of the sum of all Initial TuasOne Trade Claim Cash Payouts; and

FGCCP is the Final General Claim Cash Payout for the subject Accepted General Claim, to be rounded down to the nearest cent.

“**Second HMM Claim Cash Consideration**” means the Second HMM Claim Cash Consideration as defined in the Hydrochem Scheme to be paid out to the Company pursuant to Clause 4.3.2 of the Hydrochem Scheme.

“**Settlement Date**” means the date falling ~~10~~ weeks on or before twenty eight (28) days after the Completion Date (as defined in the Restructuring Effective Date Agreement).

“**Singapore**” means the Republic of Singapore.

“**Subordinated Claim**” means any Intercompany Claim and any HS Claim.

“**Subordinated Claimant**” means any person that holds a Subordinated Claim.

“**Subordinated Claims Cash Consideration**” means cash of an amount equal to the total sum of all Subordinated Claim Cash Payouts.

“Subordinated Claim Cash Payout” means in respect of each Accepted Subordinated Claim, a cash payout of S\$1.

“**Subsidiary**” means a subsidiary within the meaning of Section 5 of the Act

“**TuasOne Trade Claim**” means the aggregate value of any Claim(s) of a TuasOne Trade Claimant.

“**TuasOne Trade Claimant**” means any and each of the parties as set out in Schedule 2, as supplemented, amended and restated from time to time.

“**TuasOne Trade Claims Cash Consideration**” means the First HMM Claim Cash Consideration to be distributed in the manner set out in Clause 4.2.

- 1.2 In this Scheme, unless the context otherwise requires or as otherwise expressly stated:
- 1.2.1 references to Clauses and Schedules are references to clauses and schedules of this Scheme;
 - 1.2.2 references to a person include a reference to an individual, firm, partnership, company, corporation, unincorporated body of persons or any state or state agency;
 - 1.2.3 references to a statute, statutory provision or regulatory rule or guidance include references to the same as subsequently modified, amended or re-enacted from time to time;
 - 1.2.4 references to an agreement, deed or document shall be deemed also to refer to such agreement, deed or document as amended, supplemented, restated, verified, replaced and/or novated (in whole or in part) from time to time and to any agreement, deed or document executed pursuant thereto, provided that such amendment, supplement, restatement, verification, replacement and/or novation has, to the extent it relates to a Restructuring Document or this Scheme, been made in accordance with the terms of such Restructuring Document and/or this Scheme (as applicable);
 - 1.2.5 the singular includes the plural and *vice versa* and words importing one gender shall include all genders;
 - 1.2.6 references to “including” shall be construed as references to “including without limitation” and “include”, “includes” and “included” shall be construed accordingly;
 - 1.2.7 headings to Clauses and Schedules are for ease of reference only and shall not affect the interpretation of this Scheme;
 - 1.2.8 references to a period of days shall include Saturdays, Sundays and public holidays and where the date which is the final day of a period of days is not a Business Day, that date will be adjusted so that it is the first following day which is a Business Day;
 - 1.2.9 references to “dollar” or to “S\$” are references to the lawful currency from time to time of Singapore.

1.2.10 references to time shall be to Singapore time; and

1.2.11 where any amount is specified in this Scheme (including in any definition) in respect of any Scheme Consideration, that amount is subject to rounding in accordance with the terms of this Scheme.

2. SCHEME EFFECTIVENESS

2.1 This Scheme provides for a compromise and an arrangement between the Company and all Scheme Parties in respect of all Scheme Claims, including the full and final satisfaction, settlement, release and discharge of claims owing by the Company or any other member of the Group to the Scheme Parties (including accrued and unpaid interest in relation thereto (including default interest, if any)).

2.2 The terms of this Scheme shall become effective on the Scheme Effective Date and shall take effect in accordance with its terms.

2.3 The Company shall promptly notify the Scheme Parties in writing that the Scheme Effective Date has occurred.

2.4 On and from the Scheme Effective Date, the Company shall use all reasonable endeavours to procure that the Conditions Precedent are satisfied and that Completion (as defined under the Restructuring Agreement) occurs as soon as reasonably practicable.

3. AUTHORISATION TO EXECUTE AND UNDERTAKING TO BE BOUND BY THE RESTRUCTURING DOCUMENTS

3.1 On and from the Scheme Effective Date, in consideration of the rights provided to the Scheme Parties under this Scheme and notwithstanding any term of any relevant document, each Scheme Party hereby appoints the [CompanyScheme Manager](#) as its attorney and agent and irrevocably authorises, directs, instructs and empowers the [CompanyScheme Manager](#) (represented by any authorised representative) to enter into, execute and deliver (whether as a deed or otherwise) for and on behalf of such Scheme Party each other Restructuring Document to which the Scheme Parties, or any of them, are named as a party and any other document referred to, contemplated by or ancillary to any of the foregoing.

3.2 Any action taken by the [CompanyScheme Manager](#) in accordance with this Scheme or the Restructuring Documents will not constitute a breach of the Constitutional Documents (or any other agreement or document governing the terms of any Scheme Claim).

3.3 The authority and power granted and conferred on the [CompanyScheme Manager](#) under Clause 3.1 shall be treated, for all purposes whatsoever and without limitation, as having been granted and conferred by deed and the Company shall be entitled to delegate the authority granted and conferred by Clause 3.1 to any duly authorised officer or agent of the [CompanyScheme Manager](#) as necessary.

4. ALLOCATION AND DISTRIBUTION OF SCHEME CONSIDERATION

General Claimants

4.1 On the Restructuring Effective Date and before the Distribution Expiry Date, each General Claimant shall be entitled to, in respect of his or her Accepted General Claim, to a distribution of the General Claims Cash Consideration in the following manner:

- 4.1.1 The Company shall pay to each General Claimant the respective Initial General Claim Cash Payout for his or her Accepted General Claim on the Settlement Date.
- 4.1.2 The Company shall pay to each General Claimant the respective ~~Final~~Second General Claim Cash Payout for his or her Accepted General Claim within ~~twenty eight (28)~~ days of the Company's receipt of the First HMM Claim Cash Consideration pursuant to the terms of the Hydrochem Scheme. For the avoidance of doubt, the ~~Final~~Second General Claim Cash Payouts are intended to account for the Initial TuasOne Trade Claim Cash Payouts that constitute a distribution of the TuasOne Trade Claims Cash Consideration on the Scheme Effective Date prior to the Company's receipt of the First HMM Claim Cash Consideration pursuant to the terms of Hydrochem Scheme.
- 4.1.3 The Company shall pay to each General Claimant the respective Final General Claim Cash Payout for his or her Accepted General Claim within twenty eight (28) days of the Company's receipt of the Second HMM Claim Cash Consideration pursuant to the terms of the Hydrochem Scheme.

TuasOne Trade Claimants

- 4.2 On the Restructuring Effective Date and before the Distribution Expiry Date, each TuasOne Trade Claimant shall be entitled to, in respect of his or her Accepted TuasOne Trade Claim, to a distribution of the TuasOne Trade Claims Cash Consideration in the following manner:
- 4.2.1 The Company shall pay to each TuasOne Trade Claimant the respective Initial TuasOne Trade Claim Cash Payout for his or her Accepted TuasOne Trade Claim on the Settlement Date.
- 4.2.2 The Company shall pay to each TuasOne Trade Claimant the respective Final TuasOne Trade Claim Cash Payout for his or her Accepted TuasOne Trade Claim within ~~twenty eight (28)~~ days of the Company's receipt of the First HMM Claim Cash Consideration pursuant to the terms of the Hydrochem Scheme

~~Intercompany~~Subordinated Claimants

- 4.3 On the Restructuring Effective Date and before the Distribution Expiry Date, each ~~Intercompany~~Subordinated Claimant shall be entitled to, in respect of his or her Accepted ~~Intercompany~~Subordinated Claim, to a distribution of the ~~Intercompany~~Subordinated Claims Cash Consideration in the following manner:
- 4.3.1 The Company shall pay to each ~~Intercompany~~Subordinated Claimant the respective ~~Intercompany~~Subordinated Claim Cash Payout for his or her Accepted ~~Intercompany~~Subordinated Claim on the Settlement Date.

5. SCHEME PARTY UNDERTAKINGS AND RELEASES

- 5.1 In consideration for its entitlements under this Scheme, each Scheme Party hereby gives the undertakings, release and waivers in this Clause 5.
- 5.2 With effect on and from the Restructuring Effective Date, each Scheme Party irrevocably, unconditionally, fully and absolutely:
- 5.2.1 ratifies and confirms everything which the Company (including its respective authorised signatories) may lawfully do or cause to be done in accordance with any authority conferred by this Scheme or the Restructuring Documents;

- 5.2.2 releases all of its rights, title and interest of in its Scheme Claim and undertakes to enter into, execute and (as necessary) deliver as a deed (or otherwise) any document and do any act or thing required to facilitate and give full effect to such release;
- 5.2.3 releases, discharges and/or (where relevant) reassigns to the relevant assignor, any rights (including any power of attorney) that it may have against any member of the Group with respect to any mortgage, lien, pledge, guarantee, security interest or similar interest in relation to any of the Scheme Claims and undertakes to enter into, execute and (as necessary) deliver as a deed (or otherwise) any document and do any act or thing required to facilitate and give full effect to such release, discharge and/or reassignment (including revoking any notices and registering or procuring the registration or such release, discharge and/or reassignment);
- 5.2.4 waives, releases and discharges each and every claim which it ever had, may have or hereafter can, shall or may have against the Company for any Liability in respect of the preparation, negotiation, sanctioning or implementation of this Scheme and/or the Restructuring;
- 5.2.5 undertakes to the Company that it will not, and shall procure that its holding company or companies, subsidiaries, associated companies, affiliates and/or other companies within its group of companies will not, commence or continue, or instruct, direct or authorise any other person to commence or continue, any proceedings in respect of or arising from
- 5.2.5.1 any Scheme Claims; or
- 5.2.5.2 any Liability, ~~including~~ in respect of:
- 5.2.5.2.1 the preparation, negotiation ~~and/or~~ sanctioning of this Scheme, the Restructuring and the Restructuring Documents; and
- 5.2.5.2.2 the execution of the Restructuring Documents and the carrying out of the steps and transactions contemplated therein in accordance with their terms.
- 5.2.6 waives, releases and discharges each and every claim which it ever had, may have or hereafter can, shall or may have against the Company or any other member of the Group for any Liability arising under or in connection with its Scheme Claim.
- 5.3 On and from the Scheme Effective Date, each Scheme Party shall not, and shall procure that its holding company or companies, subsidiaries, associated companies, affiliates and/or other companies within its group of companies shall not, commence or continue, or instruct, direct or authorise any other person to commence or continue any proceedings in respect of or arising from any of the Scheme Claims.
- 5.4 To the extent permitted by law, none of the Scheme Parties nor the Company shall be entitled to challenge the validity of any act done or omitted to be done in good faith by the Company in connection with this Scheme and/or any Restructuring Document or the exercise by the Company or the other members of the Group in good faith of any power conferred upon it for the purposes of any Restructuring Document if done, omitted or

exercised in accordance with the provisions of this Scheme or any Restructuring Document.

6. DETERMINATION OF ACCEPTED CLAIMS

- 6.1 All Accepted Scheme Claims shall be determined as at the Record Date. Any alleged Scheme Claim(s) not denominated in dollars (S\$) shall be converted to its value in dollars (S\$) using the Base Currency Conversion Rate for the purposes of determination of whether such alleged Scheme Claim(s) is/are Accepted.
- 6.2 All Persons claiming to be Scheme Parties must provide the Chairman with a duly completed Proof of Claim in respect of their Scheme Claims prior to the Record Date, unless:
- 6.2.1 such requirement is waived by the Chairman;
- 6.2.2 such requirement is waived by the Court; or
- 6.2.3 a Proof of Claim is filed on a Scheme Party's behalf by the Chairman or the Company.
- 6.3 Proofs of Claim delivered after the Record Date may, at the sole discretion of the Chairman, be disregarded for voting purposes at the Scheme Meetings.
- 6.4 If the Chairman refuses to Accept an alleged Scheme Claim received from an alleged Scheme Party, he or she shall, within a reasonable time, prepare a statement in writing or electronic mail of his or her reasons for doing so and promptly send such statement to person alleging such Scheme Claim against the Company.
- 6.5 Neither the Company nor the Chairman shall recognise any sale, assignment, transfer or any disclosed sub-participation of any Scheme Claim after the Record Date for the purposes of determining entitlement to attend and vote at the Scheme Meetings. A transferee of a beneficial or proprietary interest in any Scheme Claim after the Record Date will, however, be bound by the terms of the Scheme in the event it becomes effective and the transferee will have to demonstrate, to the satisfaction of the Scheme Manager, that he or she is entitled to receive his or her share of the Scheme Consideration.
- 6.6 The Chairman shall not be liable for any claim or liability arising in respect of the performance of his or her duties as Chairman under this Scheme except where such claim or liability arises as a result of his or her own fraud, gross negligence or wilful misconduct.

7. SCHEME MANAGER

- 7.1 Any decision, including calculations or payments, made by the Scheme Manager in carrying out his or her functions and/or duties under and/or in fulfilment of this Scheme shall be final and binding on all Scheme Parties.
- 7.2 Any decision, including calculations or payments, made by the Scheme Manager in carrying out his or her functions and/or duties under and/or in fulfilment of this Scheme shall be final and binding on all Scheme Parties.
- 7.3 The Scheme Manager may engage legal, financial or other professional advisors and consultants to advise and assist the Scheme Manager in the exercise of his or her rights and the performance or discharge of his or her duties as the Scheme Manager.

7.4 ~~7.2~~ The Scheme Manager shall not be liable to any Scheme Party for any and all losses, damages, charges, costs and expenses of whatsoever nature which such Scheme Party may sustain, incur or suffer in connection with or arising from the performance by the Scheme Manager of his or her duties as Scheme Manager under this Scheme, including any decisions, calculations or payments in carrying out his or her functions and/or duties under and/or in fulfilment of this Scheme, unless directly caused by fraud, gross negligence or wilful misconduct on his or her part.

7.5 ~~7.3~~ Any Scheme Party that intends to challenge any act or omission of the Scheme Manager in connection with or arising from any decision, including calculations or payments, made by the Scheme Manager in carrying out his or her functions and/or duties under and/or in fulfilment of this Scheme shall notify the Scheme Manager of such notice at least 7 Business Days before any such challenge is made to a Court or in any other forum. Any Scheme Party who makes a challenge without providing such appropriate notice shall be deemed to have agreed to: (i) if such challenge is dismissed by the Court, be liable for the costs, expenses and disbursements incurred by the Scheme Manager in connection with resisting any such challenge on an indemnity basis; and (ii) in any case, be solely responsible for any cost, expenses and disbursements it incurs in connection with the challenge.

7.6 In exercising his or her powers and carrying out his or her duties and functions under and in fulfilment of this Scheme, the Scheme Manager shall be deemed at all times to act as an agent for and on behalf of the Company.

7.7 The Scheme Manager shall be entitled to such reasonable fees and remuneration for the performance of his or her duties and services as Scheme Manager and for taking any action that he or she is required, authorised or empowered to take under or in respect of this Scheme as may be agreed with the Company or determined by the Court.

8. MODIFICATION OF THE SCHEME

8.1 The Company may, prior to the calling of any Scheme Meeting, delete, modify, amend or add to the terms of this Scheme which the Company, upon further consultation with Scheme Parties as necessary or relevant, may think fit or appropriate for the implementation of the Restructuring.

8.2 Each of the Scheme Parties hereby agree that the Company may at any Court hearing to sanction this Scheme, consent on behalf of itself and all Scheme Parties and anyone else concerned to any modification of, or addition to, this Scheme or any terms or conditions which, in each case, the Court may think fit to approve or impose which is necessary for the implementation of the Restructuring, provided that such modification, addition, term or condition does not have an adverse effect on the rights of the Scheme Parties, or any of them, under this Scheme.

9. TERMINATION OF THE SCHEME

9.1 If:

9.1.1 the Restructuring Effective Date does not occur on or before the Long-Stop Date;
or

9.1.2 the Restructuring Agreement and/or Loan Agreement terminates in accordance with their respective terms,
the terms of and the obligations of the parties under or pursuant to this Scheme shall lapse

and all the compromises and arrangements provided by this Scheme and any releases granted pursuant to this Scheme shall be of no effect and shall be construed as if it had never become effective, and the rights and obligations of the Scheme Parties shall not be affected and shall be reinstated and remain in full force and effect.

10. COMPLETION OF THE SCHEME

10.1 The implementation and operation of this Scheme shall be deemed to be completed following the earlier of:

10.1.1 the end of the Holding Period; and

10.1.2 the Distribution Expiry Date,

upon which the Scheme Parties shall no longer be entitled to the distributions under Clause 4 and all duties and responsibilities of the Scheme Manager shall cease.

11. NOTICES

11.1 Any notice or other written communication to be given under or in relation to this Scheme (other than any Proof of Claim, which are to be delivered in accordance with the instructions contained therein) shall be given in writing and shall be deemed to have been duly given if it is delivered by hand, sent by courier, pre-paid first class post, airmail or electronic mail to:

11.1.1 in the case of the Company:

Hyflux Membrane Manufacturing Pte Ltd
80 Bendemeer Road
Hyflux Innovation Centre
Singapore 339949

investor@hyflux.com

11.1.2 in the case of the Scheme Manager:

Scheme Manager – Hyflux Membrane Manufacturing Pte Ltd
c/o Ernst & Young Solutions LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583



hyfluxqueries@sg.ey.com

11.1.3 in the case of a Scheme Party, its last known address according to the Company, or, if so directed in writing by that Scheme Party to the Company, the address of the persons entitled to receive such notice or written communication on the Scheme Party's behalf; and

11.1.4 in the case of any other person, to any postal or electronic mail address set forth for that person in any written agreement entered into in connection with the Scheme.

11.2 Any notice or written communication to be given under or in relation to this Scheme (other than any Proof of Claim, which is to be delivered in accordance with the instructions contained therein), shall be deemed to have been delivered and served:

11.2.1 if delivered by hand or courier, when actually received provided that, if such receipt occurs after 5:00 pm in the place of receipt, the following Business Day;

11.2.2 if sent by pre-paid first class post or airmail, on the second Business Day after

posting if the recipient is in the country of dispatch, otherwise the seventh Business Day after posting;

11.2.3 if sent electronically, when actually received in readable form provided that, if such receipt in readable form occurs after 5:00 pm in the place of receipt, the following Business Day; and

11.2.4 if by advertisement or stock exchange announcement, on the date of publication.

11.3 In proving service, it shall be sufficient proof, in the case of a notice sent by pre-paid first class post or airmail, that the envelope was properly stamped, addressed and placed in the post.

11.4 The accidental omission to send any notice, written communication or other document in accordance with any of Clauses 11.1 to 11.3, or the non-receipt of any such notice by any Scheme Party, shall not affect any part or provision of this Scheme.

12. COSTS AND EXPENSES

12.1 The Company shall pay, or procure the payment of, in full all costs, charges, expenses and disbursements incurred by it in connection with the negotiation, preparation and implementation of this Scheme as and when they arise, including, but not limited to, any costs incurred by the Chairman or the Scheme Manager in defending any action brought against any of them in connection with any of their duties and responsibilities under this Scheme (save in the case of fraud, gross-negligence or wilful misconduct), the holding of the Scheme Meetings, the costs of obtaining the sanction of the Court and the costs of issuing notices (if any) required by this Scheme.

13. CONFLICT & INCONSISTENCY

13.1 In the case of a conflict or inconsistency between the terms of this Scheme and the terms of the Explanatory Statement, the terms of this Scheme shall prevail.

14. SEVERABILITY

14.1 If any provision in this Scheme shall be held to be invalid, illegal or unenforceable, in whole or in part, the provision shall apply with whatever deletion or modification as and only to the extent necessary so that the provision is legal, valid and enforceable and gives effect to the commercial intentions of the Company.

14.2 To the extent it is not possible to delete or modify the provision in whole or in part, under Clause 14.1, then such provision or part of it shall, to the extent that it is invalid, illegal or enforceable, be deemed not to form part of this Scheme and the validity, legality and enforceability of the remainder of this Scheme shall not be affected.

15. GOVERNING LAW AND JURISDICTION

15.1 The operative terms of this Scheme and any non-contractual obligations arising out of or in connection with this Scheme shall be governed by and construed in accordance with the laws of Singapore. The Scheme Parties and the Company hereby agree that the courts of Singapore, including the Court shall have exclusive jurisdiction to hear and determine any suit, action or proceeding and to settle any dispute which arises out of or in connection with the terms of this Scheme or its implementation or out of any action taken or omitted to be taken under this Scheme or in connection with the administration of this Scheme and for

such purposes the Scheme Parties and the Company irrevocably submit to the jurisdiction of the courts of Singapore, including the Court, provided, however, that nothing in this Clause 15.1 shall affect the validity of other provisions determining governing law and jurisdiction as between the Company and of the Scheme Parties, whether contained in contract or otherwise.

- 15.2 The terms of this Scheme and the obligations imposed on the Company and the Scheme Parties (and, for the avoidance of doubt, those terms and obligations which may be construed as being imposed on any Scheme Party) hereunder shall take effect subject to any prohibition or condition imposed by applicable law.

SCHEDULE 1
LIST OF GENERAL TRADE CLAIMANTS

S/N	Name
1.	3R Solutions GmbH
2.	A & S Transportation Pte Ltd
3.	ABB Pte Ltd
4.	Abraweld (S) Pte Ltd
5.	A-Class Aircon Management Pte Ltd
6.	Active Fire Service & Maintenance Pte Ltd
7.	Aerogaz (S) Pte Ltd
8.	Aik Hock Industrial Pte Ltd
9.	Air Liquide Singapore Pte Ltd
10.	Allinton Engineering & Trading Pte Ltd
11.	Almarc Engineering Pte Ltd
12.	American International Industries (Pte) Ltd
13.	Andritz SAS
14.	Ann Aik Pte Ltd
15.	Apec Metal & Engineering Pte Ltd
16.	AquaChemie Establishment
17.	Aqua-Terra Oilfield Equipment & Services Pte Ltd
18.	ARFLU, S.A.
19.	Asia Heat Treatment Pte Ltd
20.	AUMA Actuators (S) Pte Ltd
21.	AUMA Middle East FZE
22.	Azbil Singapore Pte Ltd
23.	Belgicast Internacional, S.L.
24.	Beng Siang Machinery Pte Ltd
25.	Best Ring (Asia Pacific) Industrial Corporation Pte Ltd
26.	Bilfinger Water Technologies GmbH
27.	BWA Water Additives UK Ltd.
28.	Central Engineering (Pte) Ltd
29.	Changi-Light Pte Ltd
30.	Chin Yuan Metal Pte Ltd
31.	China Silk Shunfa Imp. & Exp. Corporation
32.	Chint Electric Co., Ltd
33.	CN Canvas Pte Ltd
34.	Cominco Private Limited
35.	Cramoil Singapore Pte Ltd
36.	Da Zhou Trading
37.	DACTT Engineers Pte Ltd
38.	Desheng Engineering Pte Ltd
39.	Eastec Alliance Pte Ltd
40.	Emerson Process Management Asia Pacific Pte Ltd
41.	Endress & Hauser (S.E.A.) Pte Ltd
42.	Energy Recovery, Inc.
43.	Enexio Water Technologies GmbH
44.	ERIKS Pte Ltd

45.	Essential Engineering & Construction Pte Ltd
46.	ETH Enterprise Pte Ltd
47.	Everstar Engineering & Services Pte Ltd
48.	Ex-pack Technology Pte Ltd.
49.	EXTRA CO Fibre Glass & Prefab Houses L.L.C
50.	Fichtner (Asia) Consulting Pte Ltd
51.	Filtration & Control Systems (S) Pte Ltd
52.	Fiready Pte Ltd
53.	Fluid Equipment Development Company, LLC
54.	Fresh Laundry Pte Ltd
55.	Fuji Xerox Singapore Pte Ltd
56.	Gac (Singapore) Pte Ltd
57.	GJG Construction Pte Ltd
58.	Guangzhou Shinely Import and Export Trade Co.Ltd
59.	H.B.Fuller International Inc.
60.	H.K. Hardware & Engineering Pte Ltd
61.	HAN MING [SHANGHAI] M & E EQUIPMENT CO., LTD
62.	Harbin ROPV Industrial Co., Ltd.
63.	HCG Environment Pte Ltd
64.	Hiap Chuan Hardware (Pte) Ltd
65.	Hi-Essence Cable Pte Ltd
66.	Hong Meng Landscape Pte Ltd
67.	HS Xpress Pte Ltd
68.	I M Kinetic Asia Pte Ltd
69.	iEat Canteen
70.	INBEAT-IND OMBAS ESP.GITADORES TEC.
71.	Ingersoll-Rand South East Asia (Pte) Ltd
72.	Ion Exchange (India) Limited
73.	Jack Enterprise Pte Ltd
74.	Kah Lam Hardware Engineering Pte Ltd
75.	Kajika Pte Ltd
76.	Koi Yip Engineering Pte Ltd
77.	Kranendonk Production Systems B.V.
78.	Kwek Gek Kee Enterprise
79.	Landmark Plastics Pte Ltd
80.	Lee & Lee Advocates & Solicitors
81.	Lee Wung Wooden Boxes Co Pte Ltd
82.	Leeden National Oxygen Ltd
83.	LHT Holdings Limited
84.	Lianyungang Zhongfu Lianzhong Composites Group Co.,Ltd
85.	Lim Kim Hai Electric Co (S) Pte Ltd
86.	Lion Century Properties Ltd
87.	Lishen Integrated Pte Ltd
88.	McKnight Engineering Pte Ltd
89.	Mitsubishi Gas Chemical Singapore Pte Ltd
90.	MMM Engineering Pte Ltd
91.	Mohammad Nazir Chaudhry Chemical Products Co. Ltd
92.	MXW Services

93.	NCS Pte Ltd
94.	Nitto Denko (Singapore) Pte Ltd
95.	NS Bluescope Lysaght Singapore Pte Ltd
96.	OVS Engineering Pte Ltd
97.	Pall Filtration Pte Ltd
98.	PeopleWorldwide Consulting Pte Ltd
99.	Protec Arisawa Europe, S.A
100.	Ree Electrical Engineering Pte Ltd
101.	RH Synergy (S) Pte Ltd
102.	RSKV Engineering & Construction Pte Ltd
103.	Schneider Electric Singapore Pte Ltd
104.	See Hup Seng CP Pte. Ltd.
105.	Shaftech Pte Ltd
106.	Shanghai Xinguanghua Plastics Industry Co., Ltd
107.	SHANGHAI XINHUA CONTROL TECHNOLOGY CO.,LTD
108.	Sin Ghee Huat Corporation Ltd
109.	Singa Chem Pte Ltd
110.	SJP Sealing Technology (S) Pte Ltd
111.	Soon Lee Construction Materials Supplier
112.	STE Systems Pte Ltd
113.	Sulzer Pumps Spain, S.A.
114.	Tai Li Engineering & Consultancy Pte Ltd
115.	Thye Hong Esolutions Pte Ltd
116.	Timor Capital Partners Asia, Lda
117.	TOMCO Systems
118.	Tomoe Valve Asia Pacific Pte. Ltd.
119.	Tsurumi (Singapore) Pte Ltd
120.	UGL (Singapore) Pte Ltd
121.	UMW Equipment & Engineering Pte Ltd
122.	Unilite Chemicals Pte Ltd
123.	United Creation Packaging Solutions (JH) Sdn Bhd (Singapore Branch)
124.	Uniweld Products (U.S.A) Pte Ltd
125.	Vatten Controls Pte Ltd
126.	Vector Infotech Pte Ltd
127.	Voortman Steel Machinery B.V.
128.	Weishen Industrial Services Pte Ltd
129.	Westpoint Transit Pte Ltd
130.	Winston Engineering Corpn. (Pte) Ltd
131.	WKS Industrial Gas Pte Ltd
132.	WKS Welding Products Pte Ltd
133.	WWRC Singapore Pte Ltd
134.	Yoli Engineering & Construction Pte Ltd
135.	上海运鹏国际贸易有限公司
136.	重庆永泰水处理系统工程有限公司

**SCHEDULE 2
LIST OF TUASONE TRADE CLAIMANTS**

S/N	Name
1.	Abraweld (S) Pte Ltd
2.	Ace Quality Testing & Inspection Services Pte Ltd
3.	Aik Hock Industrial Pte Ltd
4.	Allinton Engineering & Trading Pte Ltd
5.	Ann Aik Pte Ltd
6.	Anplas Asia Pte Ltd
7.	Apec Metal & Engineering Pte Ltd
8.	Avatank Engineering Pte Ltd
9.	Beng Siang Machinery Pte Ltd
10.	Central Engineering (Pte) Ltd
11.	Chye Hin Hardware Pte Ltd
12.	CN Canvas Pte Ltd
13.	Continental Steel Pte Ltd
14.	D2A SINGAPORE PTE. LTD.
15.	ERIKS Pte Ltd
16.	FineTek Pte Ltd
17.	H.K. Hardware & Engineering Pte Ltd
18.	HAN MING [SHANGHAI] M & E EQUIPMENT CO., LTD
19.	Hempel (Singapore) Pte Ltd
20.	HG Metal Manufacturing Ltd
21.	Hiap Chuan Hardware (Pte) Ltd
22.	Hiap Teck Metal Co (1968) Pte Ltd
23.	LCP Building Products Pte Ltd
24.	Leeden National Oxygen Ltd
25.	LHT Holdings Limited
26.	MMM Engineering Pte Ltd
27.	OVS Engineering Pte Ltd
28.	Pipeline Process & Systems Pte Ltd
29.	Primera Electrical And Control Engineering Pte Ltd
30.	Schneider Electric Singapore Pte Ltd
31.	Seng Heng Engineering Pte Ltd
32.	Sterling Engineering
33.	Tai Sin Electric Ltd
34.	Thye Hong Esolutions Pte Ltd
35.	Vision Fibreglass Pte Ltd
36.	Voortman Steel Machinery B.V.
37.	WKS Industrial Gas Pte Ltd
38.	WKS Welding Products Pte Ltd
39.	YSL Machinery & Equipments Pte Ltd
40.	Z-Power Automation Pte Ltd

SCHEDULE 3
LIST OF CLAIMS TO BE INCLUDED IN SCHEME CLAIMS DESPITE NOT BEING AS AT 22 MAY 2018 A LEGALLY VALID AND BINDING DEBT OF A DEFINITE AMOUNT THEN ACTUALLY DUE FROM THE COMPANY

S/N	Name	Nature of claim
1.	TACT Chemie S.E.A. Pte Ltd	Disputed amount demanded from Company under a purchase order dated 22 August 2017.
2.	Sumitomo Mitsui Finance And Leasing (Singapore) Pte Ltd	Amounts demanded for leases of equipment left on Company premises in respect of leases entered into on 26 September 2011 and 27 June 2012.
3.	Air Liquide Singapore Pte Ltd	Disputed amount demanded from Company under a contract dated 3 July 2013.

**SCHEDULE 4
FORM OF PROOF OF CLAIM**



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Description	20190221 HMM Scheme - Copy
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Legend:	
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Deletion	
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Padding cell	

Statistics:	
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Format changed	0
Total changes	165