

THIS EXPLANATORY STATEMENT ADDENDUM IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. It contains important information and should be read in its entirety. If you are in doubt about any aspect of the proposed Scheme and/or the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

Unless otherwise defined herein or the context otherwise requires, capitalised expressions used shall have the meanings set out in Appendix A of this Explanatory Statement Addendum.



**Proposal in relation to a
SCHEME OF ARRANGEMENT
Pursuant to Section 210 of the Companies Act
(Chapter 50, 2006 Revised Edition)**

Between

Hyflux Membrane Manufacturing (S) Pte Ltd
(Incorporated and registered under the laws of the
Republic of Singapore with Unique Entity Number 200702494M)

and

**THE SCHEME PARTIES
(as defined in the Scheme)**

EXPLANATORY STATEMENT ADDENDUM

Scheme Meetings of each class of the Scheme Parties to consider and, if thought fit, approve the proposed Scheme will be held on 8 April 2019 at Hyflux Innovation Centre, 80 Bendemeer Road, Singapore 339949, or such other place as may be fixed by the Company and notified to Scheme Parties via SGXNet. The actions that the Scheme Parties should take in relation to the Scheme are set out in Section 4 of this Explanatory Statement. As a Scheme Party, whether or not you intend to be present at the relevant Scheme Meeting, you are requested to complete and return complete and sign the relevant Proxy Form enclosed to the Explanatory Statement in accordance with the instructions contained therein and lodge the Proxy Form with the Meeting Agent and in any event at least seventy-two hours (72) hours before the time fixed for the Scheme Meeting (*ie*, before 10:00 am, 5 April 2019). Any previously completed and submitted Proxy Forms that have been sent to the Meeting Agent will remain valid unless you have instructed the Meeting Agent in writing to the contrary.

Subject to applicable law and as provided in the Explanatory Statement, the Company may, prior to the calling of any Scheme Meeting, delete, modify, amend or add to the terms of the proposed Scheme which the Company, upon further consultation with the Scheme parties as necessary or relevant, may think fit for the implementation of the Restructuring. Details of any deletion, modification, amendment and/or addition will be announced to all Scheme Parties via SGXNet as soon as reasonably practicable after the relevant decision is made.

Prior to making a decision on whether to approve the Proposal (as defined herein), you should carefully consider all of the information set forth in the Explanatory Statement and this Explanatory Statement Addendum. In particular, you should also take note of the risk factors set out in Section 9 of the Explanatory Statement and Section 6 of this Explanatory Statement Addendum.

Questions and requests for further information and assistance in relation to the proposed Scheme and/or this Explanatory Statement, including in respect of the submission or delivery of Proofs of Claim and/or Proxy Forms, may be directed to Company through the following channels:

Telephone: +65 3517 7999

Email: proofofclaim@hyflux.com

Post: Hyflux Ltd, Hyflux Innovation Centre, 80 Bendemeer Road, Singapore 339949

The date of this Explanatory Statement Addendum is 26 March 2019.

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CONTACTS

The Chairman of the Court Meeting and Proposed Scheme Managers	Ms Angela Ee c/o Ernst & Young Solutions LLP, or in the alternative, Mr Glenn Peters c/o Ernst & Young Solutions LLP
Address	One Raffles Quay, North Tower, Level 18, Singapore 048583
Email	hyfluxqueries@sg.ey.com

Hyflux Membrane Manufacturing (S) Pte Ltd

80 Bendemeer Road
Hyflux Innovation Centre
Singapore 339949

(Incorporated and registered under the laws of the Republic of Singapore with Unique Entity
Number 198902670Z)

EXPLANATORY STATEMENT ADDENDUM

To: the Scheme Parties

26 March 2019

**THIS EXPLANATORY STATEMENT ADDENDUM CONCERNS MATTERS WHICH MAY
AFFECT YOUR LEGAL RIGHTS AND ENTITLEMENTS AND YOU MAY THEREFORE WISH
TO TAKE APPROPRIATE LEGAL ADVICE ON ITS CONTENTS**

Dear Sir/Madam,

Proposed scheme of arrangement (“Scheme”) in relation to Hyflux Membrane Manufacturing (S) Pte Ltd (“Company”) under Section 210 of the Companies Act (Chapter 50, 2006 Revised Edition) of the Republic of Singapore (“Act”)

1. INTRODUCTION

- 1.1. This Explanatory Statement Addendum should be read with the Explanatory Statement Explanatory Statement dated 22 February 2019¹.
- 1.2. The Explanatory Statement, which was published by the Company on its website, informed the Scheme Parties of the background and effect of the Scheme, including that in connection with the Restructuring and as contemplated under the Restructuring Agreement, the Company intends to enter into a compromise and arrangement with the Scheme Parties in respect of all Scheme Claims pursuant to the terms of the Scheme. The Explanatory Statement was written and issued pursuant to Section 211 of the Companies Act and in accordance with the applicable procedure and guidance laid down in the Act and by the Court.
- 1.3. Since the date of the Explanatory Statement, the deadline for filing Proofs of Claim have passed and the results of the adjudication have been provided to those who filed Proofs of Claim. In accordance with the results of the adjudication of the Proofs of Claim, the Base General Claims Cash Consideration has been revised to ensure the rate of return is as close to the previous estimate provided in Appendix G of the Explanatory Statement.
- 1.4. Clean and blackline copies of the revised Scheme are set out in Appendix B of this Explanatory Statement Addendum.

¹ The Explanatory Statement can be accessed at: <https://www.hyflux.com/wp-content/uploads/2019/02/HMM-explanatory-statement.pdf>

1.5. **For a summary of the effect of the Scheme, the payouts thereunder and the expected returns, please refer to Appendix C of this Explanatory Statement Addendum.** The purpose of this Explanatory Statement Addendum is to inform the Scheme Parties of the material changes to the terms of the Scheme which will affect payouts to be made under the Scheme to Scheme Parties, and provide an update on timelines in relation to the Scheme Meetings. It is written and issued pursuant to Section 211 of the Act and in accordance with the applicable procedure and guidance laid down in the Act and by the Court. Unless otherwise defined herein or the context otherwise requires, capitalised expressions used shall have the meanings set out in Appendix A of the Explanatory Statement and Appendix A of this Explanatory Statement Addendum.

1.6. Please note that this Explanatory Statement Addendum does not form the basis of the legal contract between the Company and the Scheme Parties. The legally binding contract between the Company and the Scheme Parties in the event the proposed Scheme of arrangement is approved by the Scheme parties and sanctioned by the Court is the Scheme. The Company has prepared this Explanatory Statement Addendum on a best efforts basis, but make no warranty as to the accuracy or completeness of the information provided herein. The Company reserves the right to amend or supplement this Explanatory Statement Addendum and/or the information contained herein.

2. Details of upcoming Scheme Meeting

2.1 On the same day the Explanatory Statement was published by the Company, the notices calling the Scheme Meeting were also published². The Scheme Meeting will be held at Hyflux Innovation Centre, 80 Bendemeer Road, Singapore 339949 on **8 April 2019 at 10am** for the purpose of considering and, if thought fit, agreeing (with or without modification) the Scheme pursuant to Section 210 of the Act.

3. Revised Timelines

3.1 The Explanatory Statement Dated 22 February 2019 had stated:

3.1.1 At paragraph 7.2.2 that the results of the adjudication of Proofs of Claim by the Chairman of the Scheme Meetings will be announced by 15 March 2019.

3.1.2 At paragraph 7.2.3 that you may request to inspect the Proofs of Claim filed by other Scheme Parties by 20 March 2019.

3.1.3 At paragraph 7.2.4 that you may object to the Chairman's adjudication of your Proof of Claim or another Scheme Party's Proof of Claim at a time no later than 22 March 2019.

3.2 The Court had granted an extension of these deadlines as follows:

3.2.1 Until 19 March 2019 for the Chairman of the Scheme Meetings to announce the results of the adjudication of Proofs of Claim.

3.2.2 Until 23 March 2019 for you to request to inspect the Proofs of Claim filed by other Scheme Parties.

² The notice calling the scheme meeting for the Company can be accessed at:
<https://www.hyflux.com/wp-content/uploads/2019/02/Notice-calling-scheme-meeting-HMM.pdf>

3.2.3 Until 25 March 2019 for you to object to the Chairman's adjudication of your Proof of Claim or another Scheme Party's Proof of Claim.

3.3 For the avoidance of doubt, all other dates previously stated in paragraph 7.2 of the Explanatory Statement remain the same.

3.4 In accordance with the extended timelines, the results of the adjudication of Proofs of Claim by the Chairman of the Scheme Meetings were sent by post to the parties who filed Proofs of Claim on 19 March 2019.

4. Amendments to distribution sums

4.1 In accordance with the results of the adjudication of Proofs of Claim by the Chairman:

4.1.1 the list of General Trade Claimants in Schedule 1 of the Scheme and the list of TuasOne Trade Claimants in Schedule 2 of the Scheme have been revised; and

4.1.2 the the Base General Claims Cash Consideration has been revised from S\$2,790,000 to S\$3,279,705.15.

4.2 The revision of the Base General Claims Cash Consideration is intended to keep the rate of return for Scheme Parties as close to the previous estimate provided in Appendix G of the Explanatory Statement.

4.3 With the revisions, the estimated return rate for both General Trade Claimants and TuasOne Trade Claimants have been improved. For an amended version of the summary of the effect of the Scheme, the payouts thereunder and the expected returns, please refer to Appendix C of this Explanatory Statement Addendum.

5. Voting at the Scheme Meeting and Proxy Forms

5.1 For the purpose of voting at the relevant Scheme Meeting: (i) you will need to complete the Proxy Form³ or; (ii) if you are entitled to attend the Scheme Meeting in person, you will need to attend and vote accordingly.

6. Risk Factors

6.1 In considering whether to vote in favour of the Scheme, each Scheme Party should carefully consider all of the information contained in this Explanatory Statement and in particular the risk factor described below. There may be other risks other than that highlighted below, and Scheme Parties should also consider all other risks relevant in the circumstances.

6.2 **Risk of non-completion by Investor:** As stated by the Company in its announcement issued on 26 March 2019, the Investor has written to the Company on 7 March 2019, 13 March 2019, 18 March 2019 and 25 March 2019 relating to the Restructuring Agreement (collectively, the "**Investor Notices**"). The Investor Notices allege *inter alia* that there has been non-fulfilment of certain Conditions Precedent and/or certain events amount to prescribed occurrences arising under the Restructuring Agreement, and the effect of which is that the Investor may be entitled to terminate the Restructuring Agreement. The Company does not agree with the Investor's position as set out in the Investor Notices and

³ You can access a copy of the Proxy Form at <https://www.hyflux.com/wp-content/uploads/2019/03/Proxy-Form-HMM-Trade-Creditors.pdf>

intends to defend its position vigorously. To this extent, the Company has taken and will continue to take steps to fulfil its contractual obligations under the Restructuring Agreement.

- 6.3 In view of the above (and particularly, the Investor Notices), Scheme Parties should note that there is no assurance that the Proposed SMI Investment will be completed in the manner currently contemplated under the Restructuring Agreement or at all.
- 6.4 For further details on the Investor Notices, please see the announcement of the Company dated 26 March 2019 on SGXNET.

Appendix A – Definitions

DEFINITIONS AND INTERPRETATION

In this Explanatory Statement Addendum, 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\$) either: (i) as published in The Business Times on 1 March 2019 or (ii) the applicable foreign currency rate which appears on the Currency Converter webpage of the OANDA Corporation’s website at <<https://www.oanda.com/currency/converter/>> on 1 March 2019.

“Base General Claims Cash Consideration” means cash of an amount equal to S\$3,279,705.15.

“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;
- (c) any Claim of RBC arising under or in respect of the lease dated 13 December 2017 entered into between (i) RBC and (ii) the Company save for the Claim of RBC under or in respect of the letter from the Company to RBC dated 13 December 2017 on Environmental Baseline Requirements (Letter of Undertaking) (as defined in the letter); or
- (d) 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 22 February 2019 relating to the 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:

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

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;

AGCCC 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:

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

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; 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 the Additional General Claims Cash Consideration and the Base General Claims Cash Consideration to be distributed in the manner set out in Clause **Error! Reference source not found.**

“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 4.3.1 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:

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

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

ITTCCP 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 Claimant” means any person that holds an Intercompany Claim.

“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: (i) Hyflux, as borrower; and (ii) the Investor, as lender, and which is set out at Appendix C 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: (i) Mitsubishi Heavy Industries, Ltd; (ii) Mitsubishi Heavy Industries Asia Pacific Pte Ltd; (iii) Mitsubishi Heavy Industries Environmental & Chemical Engineering Co, Ltd; (iv) Hyflux; (v) HE; (vi) Hydrochem; (vii) TuasOne Pte Ltd; and (viii) TuasOne Environmental Engineering Pte Ltd, a copy of which is set out at Appendix F of the Explanatory Statement.

“Other Claim” means the aggregate value of any Claim(s) other than an Excluded Claim, a General Trade Claim, a 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 the Scheme and Appendix D 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 the 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: (i) Hyflux, as the target company; and (ii) the Investor, as the investor, and which is set out at Appendix B of the Explanatory Statement.

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

“Restructuring Effective Date” means the later of: (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 (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 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) the Accepted 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 and Mr Glenn Peters, both 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 Subordinated Claimants and the TuasOne Trade Claimants.

“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 on or before twenty eight (28) days after the Completion Date (as defined in the Restructuring 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 **Error! Reference source not found.**

In this Explanatory Statement Addendum, unless the context otherwise requires or as otherwise expressly stated:

- 1.1.1 references to Clauses and Schedules are references to clauses and schedules of this Explanatory Statement Addendum;
- 1.1.2 references to a person include a reference to an individual, firm, partnership, company, corporation, unincorporated body of persons or any state or state agency;
- 1.1.3 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;
- 1.1.4 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 Explanatory Statement Addendum, been made in accordance with the terms of such Restructuring Document and/or the Scheme (as applicable);
- 1.1.5 the singular includes the plural and *vice versa* and words importing one gender shall include all genders;

- 1.1.6 references to “including” shall be construed as references to “including without limitation” and “include”, “includes” and “included” shall be construed accordingly;
- 1.1.7 headings to Clauses and Schedules are for ease of reference only and shall not affect the interpretation of this Explanatory Statement Addendum;
- 1.1.8 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;
- 1.1.9 references to “dollar” or to “S\$” are references to the lawful currency from time to time of Singapore;
- 1.1.10 references to time shall be to Singapore time; and
- 1.1.11 where any amount is specified in this Explanatory Statement Addendum (including in any definition) in respect of any Scheme Consideration, that amount is subject to rounding in accordance with the terms of the Scheme.

Appendix B – Clean and blackline versions of Scheme

IN THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

HC/OS 206/2019

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\$) either: (i) as published in The Business Times on 1 March 2019 or (ii) the applicable foreign currency rate which appears on the Currency Converter webpage of the OANDA Corporation’s website at <<https://www.oanda.com/currency/converter/>> on 1 March 2019.

“**Base General Claims Cash Consideration**” means cash of an amount equal to S\$3,279,705.15.

“**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;
- (c) any Claim of RBC arising under or in respect of the lease dated 13 December 2017 entered into between (i) RBC and (ii) the Company save for the Claim of RBC under or in respect of the letter from the Company to RBC dated 13 December 2017 on Environmental Baseline Requirements (Letter of Undertaking) (as defined in the letter); or
- (d) 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 22 February 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:

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

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;

AGCCC 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:

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

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; 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 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 4.3.1 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:

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

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

ITTCCP 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 Claimant” means any person that holds an Intercompany Claim.

“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: (i) Hyflux, as borrower; and (ii) the Investor, as lender, and which is set out at Appendix C 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: (i) Mitsubishi Heavy Industries, Ltd; (ii) Mitsubishi Heavy Industries Asia Pacific Pte Ltd; (iii) Mitsubishi Heavy Industries Environmental & Chemical Engineering Co, Ltd; (iv) Hyflux; (v) HE; (vi) Hydrochem; (vii) TuasOne Pte Ltd; and (viii) TuasOne Environmental Engineering Pte Ltd, a copy of which is set out at Appendix F of the Explanatory Statement.

“Other Claim” means the aggregate value of any Claim(s) other than an Excluded Claim, a General Trade Claim, a 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 D of the Explanatory Statement.

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

“RBC” means the RBC Investor Services Trust Singapore Limited (in its capacity as trustee of ESR Real Estate Investment Trust).

“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: (i) Hyflux, as the target company; and (ii) the Investor, as the investor, and which is set out at Appendix B of the Explanatory Statement.

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

“Restructuring Effective Date” means the later of: (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 (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 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) the Accepted 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 and Mr Glenn Peters, both 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 Subordinated Claimants and the TuasOne Trade Claimants.

“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 on or before twenty eight (28) days after the Completion Date (as defined in the Restructuring 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 Scheme Manager as its attorney and agent and irrevocably authorises, directs, instructs and empowers the Scheme 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 Scheme 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 Scheme 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 Scheme 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, 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 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, 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

Subordinated Claimants

- 4.3 On the Restructuring Effective Date and before the Distribution Expiry Date, each Subordinated Claimant shall be entitled to, in respect of his or her Accepted Subordinated Claim, a distribution of the Subordinated Claims Cash Consideration in the following manner:
- 4.3.1 The Company shall pay to each Subordinated Claimant the respective Subordinated Claim Cash Payout for his or her Accepted 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 in respect of:
 - 5.2.5.2.1 the preparation, negotiation, sanctioning or implementation 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 The Scheme Manager shall oversee and be responsible for the implementation of and compliance with the provisions of this Scheme and shall have the power to do all such things

as he or she may consider necessary towards fulfilment of this Scheme.

- 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 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. This Clause shall remain in full force and effect notwithstanding the termination, resignation or removal of the Scheme Manager.
- 7.5 The Company shall at all times indemnify and keep harmless the Scheme Manager from and against any and all losses, damage, charges, costs and expenses of whatsoever nature which he or she may at any time and from time to time sustain, incur or suffer, whether before or after the end of the Holding Period, in connection with the exercise of his or her powers in the performance of his or her duties under this Scheme unless such losses, damage, charges, costs or expense arise out of the gross negligence, fraud or wilful default of the Scheme Manager.
- 7.6 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 seven (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.
- 7.7 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. The Company shall do everything that is necessary to give effect to the directions and instructions of the Scheme Manager, to the extent reasonably necessary and expedient to enable the Scheme Manager to carry out his or her functions under the Scheme, and the Company shall not prevent, frustrate, object to or otherwise prejudice the carrying out by the Scheme Manager of his or her duties and functions under the Scheme.
- 7.8 The Scheme Manager may resign at any time after the Scheme Effective Date if he or she gives at least thirty (30) days' prior written notice to the Company. The resignation of the Scheme Manager shall not take effect unless and until a new scheme manager is appointed. The resigning Scheme Manager may appoint a successor scheme manager, who shall have the capacity and experience to undertake the duties undertaken by the Scheme Manager.

- 7.9 The Scheme Manager shall cease to hold office as the Scheme Manager upon the occurrence of any of the following events:
- 7.9.1 the Scheme Manager resigns in accordance with Clause **Error! Reference source not found.**;
 - 7.9.2 upon the making of an order of the Court for the removal or replacement of the Scheme Manager; or
 - 7.9.3 the death or bankruptcy of the Scheme Manager.
- 7.10 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 (S) 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 (S) 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.	Abraweld (S) Pte Ltd
4.	A-Class Aircon Management Pte Ltd
5.	Active Fire Service & Maintenance Pte Ltd
6.	Aik Hock Industrial Pte Ltd
7.	Air Liquide Singapore Pte Ltd
8.	Allinton Engineering & Trading Pte Ltd
9.	Almarc Engineering Pte Ltd
10.	American International Industries (Pte) Ltd
11.	Andritz SAS
12.	Ann Aik Pte Ltd
13.	Apec Metal & Engineering Pte Ltd
14.	Aqseptence Group GmbH
15.	AquaChemie Establishment
16.	ARFLU, S.A.
17.	AUMA Actuators (S) Pte Ltd
18.	AUMA Middle East FZE
19.	AVK Singapore Pte Ltd
20.	Azbil Singapore Pte Ltd
21.	Belgicast Internacional, S.L.U
22.	Best Ring (Asia Pacific) Industrial Corporation Pte Ltd
23.	Central Engineering (Pte) Ltd
24.	Changi-Light Pte Ltd
25.	Chin Yuan Metal Pte Ltd
26.	Chint Electric Co., Ltd
27.	CN Canvas Pte Ltd
28.	Cominco Private Limited
29.	Cramoil Singapore Pte Ltd
30.	Da Zhou Trading

31.	DACTT Engineers Pte Ltd
32.	Desheng Engineering Pte Ltd
33.	Eastec Alliance Pte Ltd
34.	Emerson Process Management Asia Pacific Pte Ltd
35.	Endress & Hauser (S.E.A.) Pte Ltd
36.	Energy Recovery, Inc.
37.	Enexio Water Technologies GmbH
38.	Essential Engineering & Construction Pte Ltd
39.	ETH Enterprise Pte Ltd
40.	Everstar Engineering & Services Pte Ltd
41.	Ex-pack Technology Pte Ltd.
42.	EXTRA CO Fibre Glass & Prefab Houses L.L.C
43.	Filtration & Control Systems (S) Pte Ltd
44.	Fiready Pte Ltd
45.	Fluid Equipment Development Company, LLC
46.	Fresh Laundry Pte Ltd
47.	Fuji Xerox Singapore Pte Ltd
48.	Gac (Singapore) Pte Ltd
49.	GJG Construction Pte Ltd
50.	Guangzhou Shinely Import and Export Trade Co.Ltd
51.	H.B.Fuller International Inc.
52.	H.K. Hardware & Engineering Pte Ltd
53.	Harbin ROPV Industrial Co., Ltd.
54.	HCG Environment Pte Ltd
55.	Hi-Essence Cable Pte Ltd
56.	Hong Meng Landscape Pte Ltd
57.	HS Xpress Pte Ltd
58.	I M Kinetic Asia Pte Ltd
59.	iEat Canteen
60.	Ingersoll-Rand South East Asia (Pte) Ltd
61.	Jack Enterprise Pte Ltd
62.	Kah Lam Hardware Engineering Pte Ltd
63.	Kajika Pte Ltd

64.	Koi Yip Engineering Pte Ltd
65.	KPMG LLP
66.	Kranendonk Production Systems B.V.
67.	Kwek Gek Kee Enterprise
68.	Landmark Plastics Pte Ltd
69.	LCP Building Products Pte Ltd
70.	Lee & Lee Advocates & Solicitors
71.	Lee Wung Wooden Boxes Co Pte Ltd
72.	Leeden National Oxygen Ltd
73.	LHT Holdings Limited
74.	Lianyungang Zhongfu Lianzhong Composites Group Co.,Ltd
75.	Lim Kim Hai Electric Co (S) Pte Ltd
76.	Lishen Integrated Pte Ltd
77.	McKnight Engineering Pte Ltd
78.	Mitsubishi Gas Chemical Singapore Pte Ltd
79.	Mohammad Nazir Chaudhry Chemical Products Co. Ltd
80.	Nitto Denko (Singapore) Pte Ltd
81.	NOV FGS Singapore (Pte) Ltd
82.	NS Bluescope Lysaght Singapore Pte Ltd
83.	OVS Engineering Pte Ltd
84.	Pall Filtration Pte Ltd
85.	PeopleWorldwide Consulting Pte Ltd
86.	Protec Arisawa Europe, S.A
87.	RBC Investor Services Trust Singapore Limited (Trustee Of ESR Real Estate Investment Trust)
88.	Ree Electrical Engineering Pte Ltd
89.	RH Synergy (S) Pte Ltd
90.	RSKV Engineering & Construction Pte Ltd
91.	See Hup Seng CP Pte. Ltd.
92.	Shafttech Pte Ltd
93.	Shanghai Xinguanghua Plastic Co., Ltd
94.	Shanghai Xinhua Control Technology Co.,Ltd
95.	Sin Ghee Huat Corporation Ltd

96.	Singa Chem Pte Ltd
97.	SJP Sealing Technology (S) Pte Ltd
98.	Snamprogetti Saudi Arabia Co Ltd (Saipem)
99.	STE Systems Pte Ltd
100.	Sulzer Pumps Spain, S.A.
101.	Sumitomo Mitsui Finance And Leasing (Singapore) Pte Ltd
102.	Tact Chemie S.E.A. Pte Ltd
103.	Tai Li Engineering & Consultancy Pte Ltd
104.	Taka Hardware & Engineering (S) Pte Ltd
105.	Thye Hong Esolutions Pte Ltd
106.	TOMCO2 Systems Company
107.	Tomoe Valve Asia Pacific Pte. Ltd.
108.	Tsurumi (Singapore) Pte Ltd
109.	UGL (Singapore) Pte Ltd
110.	UMW Equipment & Engineering Pte Ltd
111.	Unilite Chemicals Pte Ltd
112.	United Creation Packaging Solutions (JH) Sdn Bhd (Singapore Branch)
113.	Uniweld Products (U.S.A) Pte Ltd
114.	Vatten Controls Pte Ltd
115.	Vector Infotech Pte Ltd
116.	Voortman Steel Machinery B.V.
117.	Weishen Industrial Services Pte Ltd
118.	Westpoint Transit Pte Ltd
119.	Winston Engineering Corporation (Pte) Ltd
120.	WKS Industrial Gas Pte Ltd
121.	WTE Infra Projects Pvt. Ltd.
122.	WWRC Singapore Pte Ltd
123.	重庆永泰水处理系统工程股份有限公司

SCHEDULE 2
LIST OF TUASONE TRADE CLAIMANTS

S/N	Name
1.	Ace Quality Testing & Inspection Services Pte Ltd
2.	Aik Hock Industrial Pte Ltd
3.	Avatank Engineering Pte Ltd
4.	Beng Siang Machinery Pte Ltd
5.	Central Engineering (Pte) Ltd
6.	Chye Hin Hardware Pte Ltd
7.	Continental Steel Pte Ltd
8.	D2A Singapore Pte. Ltd.
9.	Finetek Pte Ltd
10.	Hempel (Singapore) Pte Ltd
11.	HG Metal Manufacturing Ltd
12.	Hiap Chuan Hardware (Pte) Ltd
13.	Hiap Teck Metal Co., (1968 Pte) Ltd
14.	MMM Engineering Pte Ltd
15.	Pipeline Process & Systems Pte Ltd
16.	Primera Electrical And Control Engineering Pte Ltd
17.	Schneider Electric Singapore Pte Ltd
18.	Seng Heng Engineering Pte Ltd
19.	Tai Sin Electric Limited
20.	Thye Hong Esolutions Pte Ltd
21.	WKS Industrial Gas Pte Ltd
22.	WKS Welding Products Pte Ltd
23.	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.

DATED 26 MAR 2019

**SCHEDULE 4
FORM OF PROOF OF CLAIM**

IN THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

HC/OS ~~XXX~~206/2019

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

1.0 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\$) either: (i) as published in The Business Times on {1 March 2019}; or (ii) the applicable foreign currency rate which appears on the Currency Converter webpage of the OANDA Corporation’s website at <<https://www.oanda.com/currency/converter/>> on 1 March 2019.

“**Base General Claims Cash Consideration**” means cash of an amount equal to ~~{S\$2,790,000}~~3,279,705.15.

“**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 of RBC arising under or in respect of the lease dated 13 December 2017 entered into between \(i\) RBC and \(ii\) the Company save for the Claim of RBC under or in respect of the letter from the Company to RBC dated 13 December 2017 on Environmental Baseline Requirements \(Letter of Undertaking\) \(as defined in the letter\); or](#)

(d) ~~(e)~~ 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 ~~22~~ [22 February](#) 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:

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

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;

AGCCC 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:

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

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; and

~~^(Del)
 $\sum ITTCCP$ 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 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 4.3.1 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:

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

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

ITTCCP 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 Claimant” means any person that holds an Intercompany Claim.

“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: (i) Hyflux, as borrower; and (ii) the Investor, as lender, and which is set out at Appendix [2.1C](#) 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: (i) Mitsubishi Heavy Industries, Ltd; (ii) Mitsubishi Heavy Industries Asia Pacific Pte Ltd; (iii) Mitsubishi Heavy Industries Environmental & Chemical Engineering Co, Ltd; (iv) Hyflux; (v) HE; (vi) Hydrochem; (vii) TuasOne Pte Ltd; and (viii) TuasOne Environmental Engineering Pte Ltd, a copy of which is set out at Appendix [2.1E](#) of the Explanatory Statement.

“Other Claim” means the aggregate value of any Claim(s) other than an Excluded Claim, a General Trade Claim, a 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 [9D](#) of the Explanatory Statement.

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

“RBC” means [the RBC Investor Services Trust Singapore Limited \(in its capacity as trustee of ESR Real Estate Investment Trust\)](#).

“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: (i) Hyflux, as the target company; and (ii) the Investor, as the investor, and which is set out at Appendix [9B](#) of the Explanatory Statement.

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

“Restructuring Effective Date” means the later of: (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 (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 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) the Accepted 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 [and Mr Glenn Peters, both](#) 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 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:~~

$$\text{(Del) } FGCCP = \frac{a - S\$5,000}{d - S\$5,000 \times e} \times \sum ITCCP$$

~~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;~~

~~(Del)~~

~~$\sum ITCCP$ 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 on or before twenty eight (28) days after the Completion Date (as defined in the Restructuring 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.

1.1 In this Scheme, unless the context otherwise requires or as otherwise expressly stated:

1.1.1 references to Clauses and Schedules are references to clauses and schedules of this Scheme;

- 1.1.2 references to a person include a reference to an individual, firm, partnership, company, corporation, unincorporated body of persons or any state or state agency;
- 1.1.3 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;
- 1.1.4 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);
- 1.1.5 the singular includes the plural and *vice versa* and words importing one gender shall include all genders;
- 1.1.6 references to “including” shall be construed as references to “including without limitation” and “include”, “includes” and “included” shall be construed accordingly;
- 1.1.7 headings to Clauses and Schedules are for ease of reference only and shall not affect the interpretation of this Scheme;
- 1.1.8 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;
- 1.1.9 references to “dollar” or to “S\$” are references to the lawful currency from time to time of Singapore.
- 1.1.10 references to time shall be to Singapore time; and
- 1.1.11 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 Scheme Manager as its attorney and agent and irrevocably authorises, directs, instructs and empowers the Scheme 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 Scheme 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 Scheme 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 Scheme 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 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 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.~~

4.1.2 ~~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

Subordinated Claimants

- 4.3 On the Restructuring Effective Date and before the Distribution Expiry Date, each Subordinated Claimant shall be entitled to, in respect of his or her Accepted Subordinated Claim, ~~to~~a distribution of the Subordinated Claims Cash Consideration in the following manner:
 - 4.3.1 The Company shall pay to each Subordinated Claimant the respective Subordinated Claim Cash Payout for his or her Accepted 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 in respect of:
- 5.2.5.2.1 the preparation, negotiation~~—or~~[±] sanctioning or implementation 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.~~

7.1 The Scheme Manager shall oversee and be responsible for the implementation of and compliance with the provisions of this Scheme and shall have the power to do all such things as he or she may consider necessary towards fulfilment of this Scheme.

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 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. This Clause shall remain in full force and effect notwithstanding the termination, resignation or removal of the Scheme Manager.

7.5 The Company shall at all times indemnify and keep harmless the Scheme Manager from and against any and all losses, damage, charges, costs and expenses of whatsoever nature which he or she may at any time and from time to time sustain, incur or suffer, whether before or after the end of the Holding Period, in connection with the exercise of his or her powers in the performance of his or her duties under this Scheme unless such losses, damage, charges, costs or expense arise out of the gross negligence, fraud or wilful default of the Scheme Manager.

7.6 ~~7.5~~ Any Scheme Party that intends to challenge any act or omission of the Scheme Manager ~~in~~ 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 seven (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.

7.7 ~~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. The Company shall do everything that is necessary to give effect to the directions and instructions of the Scheme Manager, to the extent reasonably necessary and expedient to enable the Scheme Manager to carry out his or her functions under the Scheme, and the Company shall not prevent, frustrate, object to or otherwise prejudice the carrying out by the Scheme Manager of his or her duties and functions under the Scheme.

7.8 The Scheme Manager may resign at any time after the Scheme Effective Date if he or she gives at least thirty (30) days' prior written notice to the Company. The resignation of the Scheme Manager shall not take effect unless and until a new scheme manager is appointed. The resigning Scheme Manager may appoint a successor scheme manager, who shall have the capacity and experience to undertake the duties undertaken by the Scheme Manager.

7.9 The Scheme Manager shall cease to hold office as the Scheme Manager upon the occurrence of any of the following events:

7.9.1 the Scheme Manager resigns in accordance with Clause **Error! Reference source not found.**

7.9.2 upon the making of an order of the Court for the removal or replacement of the Scheme Manager; or

7.9.3 the death or bankruptcy of the Scheme Manager.

7.10 ~~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 [\(S\)](#) 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 [\(S\)](#) 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
3. 4.	Abraweld (S) Pte Ltd
4. 5.	A-Class Aircon Management Pte Ltd
5. 6.	Active Fire Service & Maintenance Pte Ltd
7.	Aerogaz (S) Pte Ltd
6. 8.	Aik Hock Industrial Pte Ltd
7. 9.	Air Liquide Singapore Pte Ltd
8. 10.	Allinton Engineering & Trading Pte Ltd
9. 11.	Almarc Engineering Pte Ltd
10. 12.	American International Industries (Pte) Ltd
11. 13.	Andritz SAS
12. 14.	Ann Aik Pte Ltd
13. 15.	Apec Metal & Engineering Pte Ltd
14. 16.	AquaChemie Establishment Aqseptence Group GmbH
15. 17.	Aqua-Terra Oilfield Equipment & Services Pte Ltd AquaChemie Establishment
16. 18.	ARFLU, S.A.
19.	Asia Heat Treatment Pte Ltd
17. 20.	AUMA Actuators (S) Pte Ltd
18. 21.	AUMA Middle East FZE
19.	AVK Singapore Pte Ltd
20. 22.	Azbil Singapore Pte Ltd
21. 23.	Belgicast Internacional, S.L.U
24.	Beng Siang Machinery Pte Ltd
22. 25.	Best Ring (Asia Pacific) Industrial Corporation Pte Ltd
26.	Bilfinger Water Technologies GmbH
27.	BWA Water Additives UK Ltd.
23. 28.	Central Engineering (Pte) Ltd
24. 29.	Changi-Light Pte Ltd
25. 30.	Chin Yuan Metal Pte Ltd
31.	China Silk Shunfa Imp. & Exp. Corporation

26. 32.	Chint Electric Co., Ltd
27. 33.	CN Canvas Pte Ltd
28. 34.	Cominco Private Limited
29. 35.	Cramoil Singapore Pte Ltd
30. 36.	Da Zhou Trading
31. 37.	DACTT Engineers Pte Ltd
32. 38.	Desheng Engineering Pte Ltd
33. 39.	Eastec Alliance Pte Ltd
34. 40.	Emerson Process Management Asia Pacific Pte Ltd
35. 41.	Endress & Hauser (S.E.A.) Pte Ltd
36. 42.	Energy Recovery, Inc.
37. 43.	Enexio Water Technologies GmbH
44.	ERIKS Pte Ltd
38. 45.	Essential Engineering & Construction Pte Ltd
39. 46.	ETH Enterprise Pte Ltd
40. 47.	Everstar Engineering & Services Pte Ltd
41. 48.	Ex-pack Technology Pte Ltd.
42. 49.	EXTRA CO Fibre Glass & Prefab Houses L.L.C
50.	Fichtner (Asia) Consulting Pte Ltd
43. 51.	Filtration & Control Systems (S) Pte Ltd
44. 52.	Fiready Pte Ltd
45. 53.	Fluid Equipment Development Company, LLC
46. 54.	Fresh Laundry Pte Ltd
47. 55.	Fuji Xerox Singapore Pte Ltd
48. 56.	Gac (Singapore) Pte Ltd
49. 57.	GJG Construction Pte Ltd
50. 58.	Guangzhou Shinely Import and Export Trade Co.Ltd
51. 59.	H.B.Fuller International Inc.
52. 60.	H.K. Hardware & Engineering Pte Ltd
61.	HAN MING [SHANGHAI] M & E EQUIPMENT CO., LTD
53. 62.	Harbin ROPV Industrial Co., Ltd.
54. 63.	HCG Environment Pte Ltd
64.	Hiap Chuan Hardware (Pte) Ltd
55. 65.	Hi-Essence Cable Pte Ltd

56. 66.	Hong Meng Landscape Pte Ltd
57. 67.	HS Xpress Pte Ltd
58. 68.	I M Kinetic Asia Pte Ltd
59. 69.	iEat Canteen
70.	INBEAT-IND-OMBAS-ESP-GITADORES-TEC.
60. 71.	Ingersoll-Rand South East Asia (Pte) Ltd
72.	Ion Exchange (India) Limited
61. 73.	Jack Enterprise Pte Ltd
62. 74.	Kah Lam Hardware Engineering Pte Ltd
63. 75.	Kajika Pte Ltd
64. 76.	Koi Yip Engineering Pte Ltd
65.	KPMG LLP
66. 77.	Kranendonk Production Systems B.V.
67. 78.	Kwek Gek Kee Enterprise
68. 79.	Landmark Plastics Pte Ltd
69.	LCP Building Products Pte Ltd
70. 80.	Lee & Lee Advocates & Solicitors
71. 81.	Lee Wung Wooden Boxes Co Pte Ltd
72. 82.	Leeden National Oxygen Ltd
73. 83.	LHT Holdings Limited
74. 84.	Lianyungang Zhongfu Lianzhong Composites Group Co.,Ltd
75. 85.	Lim Kim Hai Electric Co (S) Pte Ltd
86.	Lion Century Properties Ltd
76. 87.	Lishen Integrated Pte Ltd
77. 88.	McKnight Engineering Pte Ltd
78. 89.	Mitsubishi Gas Chemical Singapore Pte Ltd
90.	MMM Engineering Pte Ltd
79. 91.	Mohammad Nazir Chaudhry Chemical Products Co. Ltd
92.	MXW Services
80. 93.	NCS Nitto Denko (Singapore) Pte Ltd
81. 94.	Nitto Denko (NOV FGS Singapore) (Pte) Ltd
82. 95.	NS Bluescope Lysaght Singapore Pte Ltd
83. 96.	OVS Engineering Pte Ltd
84. 97.	Pall Filtration Pte Ltd

85. 98.	PeopleWorldwide Consulting Pte Ltd
86. 99.	Protec Arisawa Europe, S.A
87.	RBC Investor Services Trust Singapore Limited (Trustee Of ESR Real Estate Investment Trust)
88. 400.	Ree Electrical Engineering Pte Ltd
89. 401.	RH Synergy (S) Pte Ltd
90. 402.	RSKV Engineering & Construction Pte Ltd
403.	Schneider Electric Singapore Pte Ltd
91. 404.	See Hup Seng CP Pte. Ltd.
92. 405.	Shafttech Pte Ltd
93. 406.	Shanghai Xinguanghua Plastics Industry Plastic Co., Ltd
94. 407.	SHANGHAI XINHUA CONTROL TECHNOLOGY CO Shanghai Xinhua Control Technology Co., LTD Ltd
95. 408.	Sin Ghee Huat Corporation Ltd
96. 409.	Singa Chem Pte Ltd
97. 410.	SJP Sealing Technology (S) Pte Ltd
98. 411.	Soon Lee Construction Materials Supplier Snamprogetti Saudi Arabia Co Ltd (Saipem)
99. 412.	STE Systems Pte Ltd
100. 413.	Sulzer Pumps Spain, S.A.
101.	Sumitomo Mitsui Finance And Leasing (Singapore) Pte Ltd
102.	Tact Chemie S.E.A. Pte Ltd
103. 414.	Tai Li Engineering & Consultancy Pte Ltd
104. 415.	Thye Hong Esolutions Taka Hardware & Engineering (S) Pte Ltd
105. 416.	Timor Capital Partners Asia, Lda Thye Hong Esolutions Pte Ltd
106. 417.	TOMCO2 Systems Company
107. 418.	Tomoe Valve Asia Pacific Pte. Ltd.
108. 419.	Tsurumi (Singapore) Pte Ltd
109. 420.	UGL (Singapore) Pte Ltd
110. 421.	UMW Equipment & Engineering Pte Ltd
111. 422.	Unilite Chemicals Pte Ltd
112. 423.	United Creation Packaging Solutions (JH) Sdn Bhd (Singapore Branch)
113. 424.	Uniweld Products (U.S.A) Pte Ltd
114. 425.	Vatten Controls Pte Ltd

<u>115.</u>	426.	Vector Infotech Pte Ltd
<u>116.</u>	427.	Voortman Steel Machinery B.V.
<u>117.</u>	428.	Weishen Industrial Services Pte Ltd
<u>118.</u>	429.	Westpoint Transit Pte Ltd
<u>119.</u>	430.	Winsten Engineering Corpn. <u>Corporation</u> (Pte) Ltd
<u>120.</u>	431.	WKS Industrial Gas Pte Ltd
<u>121.</u>	432.	WKS Welding Products Pte <u>WTE Infra Projects Pvt.</u> Ltd.
<u>122.</u>	433.	WWRC Singapore Pte Ltd
434.		Yoli Engineering & Construction Pte Ltd
435.		上海运鹏国际贸易有限公司
<u>123.</u>	436.	重庆永泰水处理系统工程 <u>股份</u> 有限公司

**SCHEDULE 2
LIST OF TUASONE TRADE CLAIMANTS**

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

36.	Voortman Steel Machinery B.V.
<u>21.</u> 37.	WKS Industrial Gas Pte Ltd
<u>22.</u> 38.	WKS Welding Products Pte Ltd
39.	YSL Machinery & Equipments Pte Ltd
<u>23.</u> 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



Summary report:	
Litera® Change-Pro for Word 10.6.0.7 Document comparison done on 26/3/2019	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original filename: 20190221 HMM Scheme (clean).docx	
Modified filename: 20190326 HMM Scheme (amended).docx	
Changes:	
<u>Add</u>	218
Delete	237
Move From	0
<u>Move To</u>	0
<u>Table Insert</u>	6
Table Delete	36
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	4
Embedded Excel	0
Format changes	0
Total Changes:	501

Appendix C – Revised overview of Schemes

PARTIES	VALUE OF CLAIMS (APPROX.) ¹	SHARES IN HYFLUX POST-REORGANISATION (Assumed equity value of S\$667 million ²)	EQUITY / CASH DISTRIBUTION (APPROX.)				ESTIMATED TOTAL RETURNS (APPROX.)	ESTIMATED PERCENTAGE RETURNS PER CLAIMANT (APPROX.) ³		
			28 days (tentative) after RED ⁴	Assuming TuasOne reaches PCOD	One (1) year after RED	Two (2) years after RED				
Investor – SM Investment Pte Ltd		60% in exchange for S\$400m investment								
Ordinary Shareholders of Hyflux		4% which includes 1.38% (approx.) existing ordinary shares of directors which will be given to the P&Ps								
HYFLUX	Unsecured Scheme Parties	Bank Lenders	S\$714m ⁵	27%	S\$135.1m + 15.72% equity	Pro-rata equity payout to all Unsecured Scheme Parties from escrow upon Contingent Claims being Extinguished	Pro-rata equity payout to all Unsecured Scheme Parties from escrow upon Contingent Claims being Extinguished and/or Expired	up to S\$232m ⁸ + S\$180m (assumed equity value of 27% equity)	≥23.8% ⁹	
		MTNs	S\$278m ¹⁰							
		Trade and other claimants	S\$18m ¹¹							
	Contingent Claimants	S\$724m	S\$96.9m + 11.28% equity placed in escrow (payout for each Contingent Claim distributed upon Crystallisation less incentive)	Pro-rata cash payout to all Debt Securities Scheme Parties and Unsecured Scheme Parties from escrow upon Contingent Claims being Extinguished ⁶	Pro-rata cash payout to all Debt Securities Scheme Parties and Unsecured Scheme Parties from escrow upon Contingent Claims being Extinguished ⁷ and/or Expired	≥S\$27m ¹³ + S\$69.2m (assumed equity value of 10.38% equity)	≥10.69%			
	Debt Securities Scheme Parties	Perpetual Capital Securities	S\$500m principal ¹²	9% (from Hyflux Scheme)	S\$27m + 10.38% equity	Pro-rata cash payout to all Debt Securities Scheme Parties and Unsecured Scheme Parties from escrow upon Contingent Claims being Extinguished ⁶	Pro-rata cash payout to all Debt Securities Scheme Parties and Unsecured Scheme Parties from escrow upon Contingent Claims being Extinguished ⁷ and/or Expired	Returns received by directors for their P&P holdings will be redistributed to other P&Ps	increased to ≥10.74% (factoring redistribution of directors' returns)	
Preference Shares		S\$400m principal ¹⁴	1.38% (approx.) from Hyflux directors' contribution of their existing ordinary shares in Hyflux	Cash distributions allocated to Contingent Claims which Expire (after deducting incentive) or Extinguish to be distributed pro-rata between Debt Securities Scheme Parties and Unsecured Scheme Parties						increases to approx. 12.6% if approx. 50% of Contingent Claims become Extinguished or Expired
Subordinated Scheme Parties	S\$106m			Nominal ¹⁵			Nominal	≈ 0%		
HYDROCHEM	General Trade and Other Claimants	S\$21.98m		S\$2.81m	Up to S\$7.96m ¹⁶		Minimum return	Assuming TuasOne reaches PCOD	Minimum return	Assuming TuasOne reaches PCOD
	TuasOne Trade Claimants	S\$19.64m		S\$2.90m	S\$13.92m		S\$2.81m	S\$2.81m to S\$10.77m	S\$5,000 + ~11.03%	S\$5,000 + ~11.03% to 47.97%
	Subordinated Scheme Parties	S\$254.2m		Nominal			S\$2.90m	S\$16.82m ¹⁷	S\$5,000 + ~11.03%	S\$5,000 + ~85.03%
HMM	General Trade and Other Claimants	S\$19.68 m		S\$2.98m	Up to S\$7.05m ¹⁸		Nominal		≈ 0%	
	TuasOne Trade Claimants	S\$1.57m		S\$0.30m	S\$1.07m		S\$2.98m	S\$2.98m to S\$10.03m	S\$5,000 + ~12.42%	S\$5,000 + ~12.42% to 49.36%
	Subordinated Scheme Parties	S\$205.3m		Nominal			S\$0.30m	S\$1.37m ¹⁹	S\$5,000 + ~12.42%	S\$5,000 + ~86.42%
HE	All Claimants	S\$13.88m		S\$4.01m			Nominal		≈ 0%	
	Subordinated Scheme Parties	S\$79.8m		Nominal			S\$4.01m		S\$5,000 + ~26.78%	
							Nominal		≈ 0%	

¹ These approximations are based on the adjudication of Proofs of Claim by the Chairman, and may be amended if there are changes to the adjudication results following, among other things, any determination by an independent assessor as may be appointed by a party disputing the results of the Chairman's adjudication of a Proof of Claim.

² On the assumption that 60% of Hyflux's shareholding is valued at S\$400 million.

³ These approximations are based on the adjudication of Proofs of Claim by the Chairman, and may be amended if there are changes to the adjudication results following, among other things, any determination by an independent assessor as may be appointed by a party disputing the results of the Chairman's adjudication of a Proof of Claim.

⁴ Restructuring Effective Date, which will likely take place on 16 April 2019 or shortly thereafter.

⁵ Inclusive of loan by KfW IPEX GmbH of S\$144 million (approx.) to Hydrochem which is guaranteed by Hyflux and crystallised debt of approximately S\$65 million (approx.) from bonds and guarantees that have been called before November 2018.

⁶ After deducting a 10% cash incentive component (First Contingent Claim Management Payout) to be paid to project teams/employees responsible for extinguishment of contingent claim.

⁷ Where Contingent Claims become Extinguished, payment of the cash component will be made after deducting a 10% cash incentive component (Second Contingent Claim Management Payout) to be paid to project teams/employees responsible for extinguishment of contingent claim.

⁸ Assuming all the Contingent Claims Crystallise and are paid out.

⁹ Assuming all the Contingent Claims Crystallise and are paid out. The return per Claimant increases with each Contingent Claim becoming Extinguished instead of becoming Crystallised. 2 years after RED, any Contingent Claims that have not Crystallised or Extinguished will become Expired.

¹⁰ S\$265 million Principal + S\$13 million (approx.) accrued interest

¹¹ Inclusive of crystallised debt of S\$10 million (approx.) from bonds and guarantees that have already been called since November 2018 and minor trade debt of an aggregate sum <S\$500k.

¹² Inclusive of the S\$3.15 million in principal held by directors.

¹³ The return per Claimant increases with each Contingent Claim becoming Extinguished instead of becoming Crystallised. 2 years after RED, any Contingent Claims that have not Crystallised or Extinguished will become Expired.

¹⁴ Inclusive of the S\$1.202 million in principal held by directors.

¹⁵ S\$1 per Subordinated Claimant.

¹⁶ From Hydrochem's share of the Net Cash Flow from TuasOne EPC Contract upon TuasOne PCOD after making necessary deductions under MHI Settlement Agreement (eg, First Priority Payment to MHI, Trade Creditors' Payment, cost overruns and LDs)

¹⁷ From Trade Creditors' Payment of S\$15m under MHI Settlement Agreement that can only be paid to TuasOne trade creditors.

¹⁸ From Hydrochem's share of the Net Cash Flow from TuasOne EPC Contract upon TuasOne PCOD after making necessary deductions under MHI Settlement Agreement (eg, First Priority Payment to MHI, Trade Creditors' Payment, cost overruns and LDs)

¹⁹ From Trade Creditors' Payment of S\$15m under MHI Settlement Agreement that can only be paid to TuasOne trade creditors.