



25 March 2019

Board of Directors  
Hyflux Ltd  
Hyflux Innovation Centre  
80 Bendemeer Road  
Singapore 339949

Attn: Ms Olivia Lum

Dear Board Members,

**RE: Status of Hyflux restructuring**

Hyflux investors are seriously concerned arising from the current uncertainty caused by PUB's notice of default, recent SMI's notice to Hyflux and the postponement of scheduled townhall meeting.

It is generally felt that the company is creating further uncertainty by not issuing the revised scheme document to the creditors incorporating the SIAS proposal to share in the upside from the Contingent Claims.

Further, the calling off of the scheduled townhall meeting, which is yet to be reconvened, is another reason for anxiety amongst investors.

Can the board advise that SMI's proposal is still on the table and that they have not given any reason to withdraw from the agreement. The recent PUB statement that they should not use its default notice as a reason to walk out is causing worry to retail investors. There is no other option on the table.

The company is not giving confidence to investors that it will resolve all outstanding issues to keep the restructuring deal with SMI on track.

Could the board address all the above concerns immediately, please.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'David Gerald', is written over a horizontal line.

David Gerald  
President/CEO