



HYFLUX LTD

Company Registration No.: 200002722Z

(Incorporated in the Republic of Singapore)

GRANT OF WAIVERS FROM RULE 705(2) OF THE LISTING MANUAL

The Board of Directors of Hyflux Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to its announcements made on:

- a. 19 June 2018 in relation to, amongst other things, the High Court of Singapore granting orders pursuant to Section 211B(1) of the Singapore Companies Act for a six-month moratorium following applications (the “**Applications**”) filed by the Company and four of its subsidiaries, namely Hydrochem (S) Pte Ltd, Hyflux Engineering Pte Ltd, Hyflux Membrane Manufacturing (S) Pte. Ltd. and Hyflux Innovation Centre Pte. Ltd.; and
- b. 25 May 2018, 28 May 2018, 4 June 2018, 11 June 2018 and 21 June 2018 in relation to the updates on the ongoing reorganisation process (the “**Reorganisation**”).

Rule 705(2) of the Listing Manual

Rule 705(2) of the Listing Manual (the “**Listing Manual**”) of Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) requires the Company to announce the following:

- a. the unaudited financial statements of the Group for the second quarter ended 30 June 2018 not later than 14 August 2018 (the “**2QFY2018 Deadline**”); and
- b. the unaudited financial statements of the Group for the third quarter ending 30 September 2018 not later than 14 November 2018 (the “**3QFY2018 Deadline**”).

The Company had, on 28 June 2018, written to request the approval of the SGX-ST for a six-month extension and a three-month extension in respect of the 2QFY2018 Deadline and the 3QFY2018 Deadline respectively (collectively, the “**Extensions**”).

Grant of Extensions

The SGX-ST granted these Extensions on 6 July 2018, subject to the following conditions:

- a. the Company announces the Extensions granted, the reasons for seeking the Extensions and the conditions that the Extensions are subject to, as required under Rule 107 of the Listing Manual; and
- b. the Company submits a written confirmation that the Extensions do not contravene any laws and regulations governing the Company and the articles of association of the Company.

Summary of reasons for applying for the Extensions

The six-month moratorium (please refer to the Company's announcement on 19 June 2018) will provide the Group with time to reorganise, under the supervision of the High Court of Singapore, its liabilities and businesses so as to achieve the best possible outcome for all interested parties. Since the Applications were made on 22 May 2018, there has been a standstill on the payment of all pre-22 May 2018 debts, as well as stringent controls on the usage of the Group's cash such as only paying critical expenses relevant to the Reorganisation, particularly, the preservation and creation of value for the creditors.

As the Company is in the process of negotiating the terms of the Reorganisation under the court-supervised process and the six-month moratorium which has been granted by the High Court of Singapore, release of financial statements of the Company prior to in-principle agreement of the main terms of agreements (if any) made as part of the Reorganisation or prior to clarity being obtained on the main terms of any financing proposals to be put forth as part of Reorganisation, may potentially result in inaccurate and incomplete reflection of financial information.

The duration of the Extensions is linked to the moratorium granted by the High Court of Singapore as part of the Reorganisation. It is anticipated that the ongoing discussions surrounding the Reorganisation will require at least the time for which the moratorium is granted, and it will only be meaningful for the Company to start to prepare the relevant financial statements only when it has certainty regarding the terms of the Reorganisation and any financing proposals, which is expected to take additional time.

Holders of securities of the Company are advised to exercise caution at all times when dealing in the securities of the Company, and if you are in any doubt, please seek appropriate independent professional advice before taking any action in respect of your securities in the Company.

Further material developments in relation to the Reorganisation will be shared by the Company via SGXNET as and when they arise.

BY ORDER OF THE BOARD

Lim Poh Fong

Company Secretary

Submitted to SGX-ST on 8 July 2018