



HYFLUX LTD

Company Registration No.: 200002722Z

(Incorporated in the Republic of Singapore)

GRANT OF WAIVERS FROM RULE 705(1), 705(2), AND 707(1) 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 ("**Moratorium**") following 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. (the "**Applicants**");
- b. 2 January 2019 in relation to, among other things, the approval of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for extensions of deadlines for the Company to:
 - i. file the unaudited financial statements for the financial year ended 31 December 2018 ("**FY2018 Financial Statements**") and the unaudited financial statements of the Group for the first quarter ended 31 March 2019 ("**1QFY2019 Financial Statements**"); and
 - ii. hold the annual general meeting for the financial year ended 31 December 2018 ("**FY2018 AGM**")in the light of the ongoing reorganisation process; and
- c. 29 May 2019 in relation to, among other things, the High Court of Singapore granting an extension of the Moratorium until 2 August 2019.

Rule 705(1), 705(2), and 707(1) of the Listing Manual

Rule 705(1) of the Listing Manual (the "**Listing Manual**") of SGX-ST requires the Company to announce the FY2018 Financial Statements no later than 1 March 2019 (the "**FY2018 Financial Statements Deadline**").

Rule 705(2) of the Listing Manual requires the Company to announce:

- a. the 1QFY2019 Financial Statements no later than 14 May 2019 ("**1QFY2019 Deadline**"); and
- b. unaudited financial statements of the Group for the second quarter ending 30 June 2019 ("**2QFY2019 Financial Statements**") no later than 14 August 2019 ("**2QFY2019 Deadline**");

Rule 707(1) of the Listing Manual requires the Company to hold the annual general meeting for the financial year ended 31 December 2018 no later than 30 April 2019 (the "**FY2018 AGM Deadline**").

As announced on 2 January 2019, the Company had written to request approval from the SGX-ST for four-month extensions in respect of each of the FY2018 Financial Statements Deadline and FY2018

AGM Deadline and a three month extension in respect of the 1QFY2019 Deadline, all of which were approved subject to the conditions set out in the announcement on 2 January 2019.

The Company had, on 14 June 2019, written to request approval from the SGX-ST for the following extensions of time (collectively, the "**Further Extensions**"):

- a. a further five (5)-month extension of the FY2018 Financial Statements Deadline;
- b. a further three (3)-month extension of the FY2018 AGM Deadline;
- c. a further three and a half (3.5)-month extension the 1QFY2019 Deadline; and
- d. a three and a half (3.5)-month extension of the 2QFY2019 Deadline.

Grant of Further Extensions

The SGX-ST granted the Further Extensions on 27 June 2019, subject to the following conditions:

- a. the Company announces its FY2018 Financial Statements, 1QFY2019 Financial Statements, and 2QFY2019 Financial Statements and hold its FY2018 AGM by 30 November 2019 or before the lifting of the suspension;
- b. the Company announces the Further Extensions granted, the reasons for seeking the Further Extensions, the conditions for the grant of the Further Extensions as required under Rule 107 of the Listing Manual and if the conditions for the grant of the Further Extensions have been satisfied; and
- c. the Company submits a written confirmation that it is not aware of any information that will have a material bearing on investors' decisions which has yet to be announced by the Company for the grant of the Further Extensions.

The above conditions for the grant of the Further Extensions have been satisfied.

Reasons for the Further Extensions

The Moratorium will provide the Group with time to reorganise its liabilities and businesses so as to achieve the best possible outcome for all interested parties (the "**Reorganisation**"). 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.

The Group is currently progressing with the Reorganisation and the aim is to conclude the Reorganisation as soon as possible and continue trading with a more stable financial position. Although the Company previously made significant progress with an investor and entered into a binding investment agreement with the same, as announced by the Company on 4 April 2019, the investor subsequently repudiated its agreement with the Company, and the Company had terminated the investment agreement on that basis.

Following that, the Group has been in discussions with several potential investors, as mentioned in the Company's announcement on 15 May 2019. The Company continues to work towards achieving a binding agreement with one of these potential investors. It is envisaged that the completion of any such investment is likely to be subject to fulfilment of a number of conditions.

The Company is in the process of negotiating the terms of the Reorganisation with potential investors as well as its stakeholders under the court-supervised process with the Moratorium in place. Given the

pace and evolving nature of the negotiations, as well as the uncertainties surrounding the terms of the restructuring proposal, the release of financial statements of the company prepared on a going concern basis prior to the main terms of any proposal to be put forth as part of the Reorganisation being sufficiently well formulated, may potentially result in inaccurate and incomplete reflection of financial information.

It is anticipated that the ongoing discussions surrounding the Reorganisation will require at least the time for which the Moratorium is in force, and the Company can only start to prepare the relevant financial statements when it has certainty regarding the terms of the Reorganisation and the financing proposals (if any), which is expected to take additional time.

Please monitor SGXNet and the Company's website for any announcements or updates on the Reorganisation. If you are a holder of any securities of the Company and wish to receive email alerts providing these updates, please register your request at <http://investors.hyflux.com/contacts.html>. Otherwise, all information and updates will be disseminated via SGXNet and/or the Company's website (<https://www.hyflux.com/financial-reorganisation-exercise/>).

Shareholders and holders of the securities of the Company are advised to exercise caution at all times when dealing in the shares and/or securities, and should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

**Lim Poh Fong and Chiang Chai Foong
Joint Company Secretaries
Submitted to SGX-ST on 28 June 2019**