



HYFLUX LTD

Company Registration No.: 200002722Z

(Incorporated in the Republic of Singapore)

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## GRANT OF WAIVERS FROM RULE 705(1), 705(2), AND 707(1) OF THE LISTING MANUAL

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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. 8 July 2018 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 file its unaudited financial statements for the Group for the second quarter ended 30 June 2018 ("**2QFY2018 Financial Statements**") and the third quarter ended 30 September 2018 ("**3QFY2018 Financial Statements**") in the light of the ongoing reorganisation process ("**Reorganisation**"); and
- c. 26 November 2018 in relation to, among other things, the High Court of Singapore granting an extension of the Moratorium until 30 April 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 unaudited financial statements for the financial year ended 31 December 2018 ("**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 2QFY2018 Financial Statements not later than 14 August 2018 (the "**2QFY2018 Deadline**");
- b. the 3QFY2018 Financial Statements not later than 14 November 2018 (the "**3QFY2018 Deadline**");
- c. the unaudited financial statements of the Group for the first quarter ending 31 March 2019 no later than 14 May 2019 ("**1QFY2019 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 8 July 2018, the Company had written to request approval from the SGX-ST for a six-month extension and a three-month extension in respect of the 2QFY2018 Deadline and the 3QFY2018 Deadline respectively, both of which were approved subject to the conditions set out in the announcement on 8 July 2018.

The Company had, on 21 December 2018, written to request approval from the SGX-ST for the following extensions of time (collectively, the "**Further Extensions**"):

- a. a further four and a half (4.5)-month extension of the 2QFY2018 Deadline and the 3QFY2018 Deadline;
- b. a four (4)-month extension of the FY2018 AGM Deadline;
- c. a four (4)-month extension the FY2018 Financial Statements Deadline; and
- d. a three (3)-month extension of the 1QFY2019 Financial Statements Deadline.

### **Grant of Further Extensions**

The SGX-ST granted the Further Extensions on 2 January 2019, subject to the following conditions:

- a. the Company announces its 2QFY2018 Financial Statements, 3QFY2018 Financial Statements and FY2018 Financial Statements by 30 June 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. In this regard, on 18 October 2018, the Company had announced that it had entered into a restructuring agreement with an investor for a total investment of S\$530 million, which is subject to a number of conditions.

The Company is in the process of negotiating the terms of the Reorganisation with its stakeholders under the court-supervised process with the Moratorium in place. Given the pace and evolving nature of the negotiations, the release of financial statements of the Company prior to in-principle agreement of the main terms 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 Further Extensions is linked to the Moratorium. 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**

**Company Secretary**

**Submitted to SGX-ST on 2 January 2019**