



HYFLUX LTD

Company Registration No.: 200002722Z

(Incorporated in the Republic of Singapore)

GRANT OF WAIVERS FROM AND/OR EXTENSIONS OF TIME TO COMPLY WITH RULES 705(1), 707(1) AND 711A OF THE LISTING MANUAL ET AL.

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

- (a) 19 June 2018 in relation to 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 certain Group subsidiaries;
- (b) 28 June 2019 in relation to the approval of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for extensions of deadlines for the Company to:
 - (i) announce the unaudited financial statements of the Group for the financial year ended 31 December 2018 (“**FY2018 Financial Statements**”);
 - (ii) announce the unaudited financial statements of the Group for the first quarter ended 31 March 2019 (“**1QFY2019 Financial Statements**”);
 - (iii) announce the unaudited financial statements of the Group for the second quarter ended 30 June 2019 (“**2QFY2019 Financial Statements**”); and
 - (iv) hold the annual general meeting for the financial year ended 31 December 2018 (“**FY2018 AGM**”),in the light of the ongoing reorganisation process (“**Reorganisation**”);
- (c) 30 September 2019 in relation to the extension of the Moratorium by the High Court of Singapore to 2 December 2019;
- (d) 19 November 2019 in relation to the approval of the SGX-ST for further extensions of deadlines for the Company to announce its FY2018 Financial Statements, 1QFY2019 Financial Statements, 2QFY2019 Financial Statements and to hold its FY2018 AGM;
- (e) 20 February 2020 in relation to the extension of the Moratorium by the High Court of Singapore to 30 April 2020;

- (f) 8 April 2020 in relation to the approval of the SGX-ST for further extensions of deadlines for the Company to announce its FY2018 Financial Statements, 1QFY2019 Financial Statements, 2QFY2019 Financial Statements, the third quarter ended 30 September 2019 (“**3QFY2019 Financial Statements**”), and to hold its FY2018 AGM;
- (g) 16 April 2020 in relation to the extension of the Moratorium by the High Court of Singapore to 30 July 2020;
- (h) 14 May 2020 in relation to:
 - 1. the grant by the SGX-ST of the following:
 - A. waiver from Rule 705(2) of the Listing Manual of the SGX-ST (the “**Listing Manual**”) to dispense with the requirement to announce its 1QFY2019 Financial Statements, 2QFY2019 Financial Statements and 3QFY2019 Financial Statements;
 - B. confirmation that the Company need not release the unaudited financial statements of the Group for the first quarter ended 31 March 2020 (“**1QFY2020 Financial Statements**”) and any subsequent quarterly financial statements until the completion of the Reorganisation;
 - C. further extensions of deadlines for the Company to announce its FY2018 Financial Statements and the unaudited financial statements of the Group for the financial year ended 31 December 2019 (“**FY2019 Financial Statements**”) and to hold its FY2018 AGM and the annual general meeting for the financial year ended 31 December 2019 (“**FY2019 AGM**”);
 - 2. the grant by the Accounting and Corporate Regulatory Authority (“**ACRA**”) for the following under the Companies Act:
 - A. an extension of time to hold the FY2018 AGM by 30 September 2020, and to file the annual return of the Company for the financial year ended 31 December 2018 (“**FY2018 AR**”) with ACRA by 31 October 2020; and
 - B. an extension of time to hold the FY2019 AGM by 30 September 2020, and to file the annual return of the Company for the financial year ended 31 December 2019 (“**FY2019 AR**”) with ACRA by 31 October 2020;
- (i) 27 July 2020 that the High Court of Singapore has, amongst other directions and orders, (i) granted the application of the Unsecured Working Group (“**UWG**”) to be carved out of the existing moratorium; and (ii) ordered that the existing moratorium be extended until the hearing of the JM Application or until further order;
- (j) 13 August 2020 that the UWG has filed its application for a judicial management order (“**JM Application**”); and
- (k) 18 August 2020 that the High Court of Singapore has, amongst other things, scheduled the hearing of the JM Application on 14 October 2020.

Rules 705(1), 707(1) and 711A of the Listing Manual

Rule 705(1) of the Listing Manual requires the Company to announce:

- (a) the FY2018 Financial Statements no later than 1 March 2019 (“**FY2018 Financial Statements Deadline**”); and
- (b) the unaudited financial statements of the Group for the financial year ending 31 December 2019 (“**FY2019 Financial Statements**”) no later than 1 March 2020 (“**FY2019 Financial Statements Deadline**”).

Rule 707(1) of the Listing Manual requires the Company to hold:

- (a) the FY2018 AGM no later than 30 April 2019 (“**FY2018 AGM Deadline**”); and
- (b) the annual general meeting for the financial year ending 31 December 2019 (“**FY2019 AGM**”) no later than 30 April 2020 (“**FY2019 AGM Deadline**”).

Rule 711A of the Listing Manual requires the Company to issue the sustainability report of the Company in respect of the financial year ended 31 December 2019 (“**FY2019 SR**”) no later than 31 May 2020.

As announced on:

- (a) 28 June 2019, the Company had written to request approval from the SGX-ST for further extensions in respect of the FY2018 Financial Statements Deadline, FY2018 AGM Deadline, the requirement to announce the 1QFY2019 Financial Statements no later than 14 May 2019 (“**1QFY2019 Financial Statements Deadline**”) and the requirement to announce the 2QFY2019 Financial Statements no later than 14 August 2019 (“**2QFY2019 Financial Statements Deadline**”), all of which were approved subject to the conditions set out in the announcement on 28 June 2019.
- (b) 19 November 2019, the Company had written to request approval from the SGX-ST for further extensions in respect of the FY2018 Financial Statements Deadline, FY2018 AGM Deadline, 1QFY2019 Financial Statements Deadline, 2QFY2019 Financial Statements Deadline, the requirement to announce the 3QFY2019 Financial Statements no later than 14 November 2019 (“**3QFY2019 Financial Statements Deadline**”), FY2019 Financial Statements Deadline and the FY2019 AGM Deadline, all of which were approved subject to the conditions set out in the announcement on 28 June 2019.
- (c) 8 April 2020, the Company had written to request approval from the SGX-ST for further extensions in respect of the FY2018 Financial Statements Deadline, FY2018 AGM Deadline, 1QFY2019 Financial Statements Deadline, 2QFY2019 Financial Statements Deadline, 3QFY2019 Financial Statements Deadline, FY2019 Financial Statements Deadline and the FY2019 AGM Deadline, all of which were approved subject to the conditions set out in the announcement on 8 April 2020.
- (d) 14 May 2020, the company had on 28 April 2020 written to SGX-ST to request for the following:

- (i) waiver from Rule 705(2) of the Listing Manual to dispense with the requirements to announce the 1QFY2019 Financial Statements, 2QFY2019 Financial Statements and 3QFY2019 Financial Statements;
- (ii) confirmation that the Company need not release its 1QFY2020 Financial Statements and any subsequent quarterly financial statements until the completion of the Reorganisation.
- (iii) further extensions of time in respect of the FY2018 Financial Statements Deadline, FY2018 AGM Deadline, FY2019 Financial Statements Deadline and the FY2019 AGM Deadline,

all of which were approved subject to the conditions set out in the announcement on 14 May 2020.

The Company had, on 31 August 2020, written to the SGX-ST to request for the following:

- (a) approval for further extensions of time (collectively, the "**Further Extensions**") as follows:
 - (i) a further five (5)-month extension of time under Rule 707(1) of the FY2018 AGM Deadline, to hold the FY2018 AGM by 28 February 2021 (total 22 months);
 - (ii) a further five (5)-month extension of time under Rule 707(1) of the FY2019 AGM Deadline, to hold the FY2019 AGM by 28 February 2021 (total 10 months);
 - (ii) a further four (4)-month extension of time under Rule 705(1) of the FY2018 Financial Statements Deadline, to announce the unaudited FY2018 Financial Statements by 31 December 2020 (total 22 months); and
 - (iii) a further four (4)-month extension of time under Rule 705(1) of the FY2019 Financial Statements Deadline, to announce the unaudited FY2019 Financial Statements by 31 December 2020 (total 10 months),(collectively, the "**Waiver**"); and
- (b) waiver from Rule 711A of the Listing Manual to dispense with the requirement to issue the FY2019 SR (the "**Rule 711A Waiver**").

Grant of the Waiver and the Rule 711A Waiver

The SGX-ST granted the Waiver on 15 September 2020, subject to the following conditions:

- (a) the Company announces the Waiver granted, the reasons for seeking the Waiver, the conditions as required under Mainboard Listing Rule 107 and if the conditions for the grant of the Waiver have been satisfied. Where the conditions for the grant of the Waiver have not been met on the date of this announcement, the Company is to make an update announcement when the conditions have all been met; and

- (b) 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.

The SGX-ST also informed the Company on 15 September 2020 that it had no comments to the view that the Company is undergoing a restructuring exercise and is hence not able to meaningfully issue the FY2019 SR as required under Rule 711A of the Listing Manual. The Company is expected to make an announcement on why it will not be producing the FY2019 SR.

Application to ACRA for extension of deadlines

The Company had, on 31 August 2020, also written to request approval from ACRA for the following under the Companies Act:

- (a) a further five (5)-month extension of time to hold the FY2018 AGM by 28 February 2021, and to file the FY2018 AR with ACRA by 31 March 2021; and
- (b) a further five (5)-month extension of time to hold the FY2019 AGM by 28 February 2021, and to file the FY2019 AR with ACRA by 31 March 2021.

On 11 September 2020, ACRA granted the Company until 14 December 2020 to hold the FY2018 AGM and FY2019 AGM and until 14 January 2021 to file FY2018 AR and FY2019 AR with ACRA.

Accordingly, notwithstanding the Further Extensions granted by the SGX-ST, the Company will be required to comply with the deadlines separately set by ACRA.

Reasons for Seeking the Waiver

Further Extensions

The level of certainty in completing the Reorganisation exercise has a direct impact on the Company's and the Group's basis for preparing its financial statements on a going concern basis. The Company has been advised by its auditors that the use of the going concern basis of accounting would be the most appropriate, useful and relevant only if the Reorganisation has a reasonable basis to be successful, which is in turn premised on the requisite meetings and due process having taken place.

Since the Company's last letter dated 28 April 2020 to the SGX-ST until 31 August 2020 when the Company further wrote to the SGX-ST, the following events have occurred in connection with the Reorganisation:

- (a) On 29 May 2020, the Company had announced, *inter alia*, that as detailed in its 26 November 2019 announcement, completion of the proposed transaction with Utico FZC (“**Utico**”) was conditional upon the conditions precedent in its agreement with Utico (“**Restructuring Agreement**”) being fulfilled or waived on or before the date falling six

(6) months from the date of the Restructuring Agreement (or such other date as the Parties may mutually agree) (the “**Long-Stop Date**”), otherwise the Restructuring Agreement shall *ipso facto* cease and determine. There had been no such mutual agreement between the Company and Utico to extend the Long-Stop Date, which therefore remained as 26 May 2020. Accordingly, the Restructuring Agreement had *ipso facto* ceased and determined.

- (b) Since 26 May 2020, the Company and Utico has been in correspondence as disclosed in the various announcements made by the Company on SGXNET. On 3 August 2020, the Company announced that it had received a letter from Utico regarding, among other things, an extension of time for acceptance of its “binding offer” to 5.00pm, 30 August 2020 (Singapore Time).
- (c) Since 26 May 2020, the Company has also received other expressions of interest from several investors, as disclosed in the various announcements made by the Company on SGXNET. As of the date of this letter, the Company is considering the various investors' expressions of interest, including Utico's revised offer.
- (d) On 27 July 2020, the Company announced that the High Court, amongst other directions and orders, (i) granted the UWG application to be carved out of the existing moratorium. The UWG is to file its JM Application by 7 August 2020 (“**JM Application Deadline**”) and (ii) ordered that the existing moratorium be extended until the hearing of the JM Application or until further order.
- (e) Further to an extension granted by the High Court of the JM Application Deadline, the Company announced on 13 August 2020 that the UWG had filed the JM Application.
- (f) On 18 August 2020, the Company announced, among other things, that the hearing of the JM Application had been scheduled by the High Court to take place on 14 October 2020.

As matters currently stand, until definitive steps are taken in respect of the Company's Reorganisation (including having due process of such Reorganisation take place), there is no firm basis for the Company to prepare, or for the auditors to opine on the financial statements on a going concern basis. This is also predicated on (i) the Company and a relevant investor reaching a mutual agreement in terms of such investor's proposal and (ii) to a certain extent, the outcome of the hearing of the JM Application on the 14 October 2020. Until such decision and outcome of the hearing of the JM Application are made, the Reorganisation is still very much in progress. On the other hand, preparing and presenting the financial statements on a liquidation basis when the Reorganisation is still in progress would result in an absurd and misleading reflection of financial position of the Group.

Accordingly, the release of financial results prior to the relevant due process taking place may potentially result in inaccurate and incomplete reflection of financial information to investors. The grant of the Further Extensions will allow the Group to release its unaudited FY2018 Financial Statements and unaudited FY2019 Financial Statements after the successful completion of the Reorganisation, which is in turn premised on the requisite meetings and due process having taken place. With the financial statements being prepared on a going concern basis, the unaudited FY2018 Financial Statements and unaudited FY2019 Financial Statements

would allow the market to better assess the financial impact of the Company's Reorganisation plan.

As the Company's shares remain suspended from trading, the Company believes that the extensions of time sought by the Company would not result in any prejudice to the shareholders.

Waiver from Rule 711A of the Listing Manual

Since the signing of the Restructuring Agreement with Utico, the Company has been fully committed to performing the Restructuring Agreement and the Reorganisation including its effort in carrying through the various scheme meetings. This was subsequently derailed due to the ongoing COVID-19 pandemic where urgent applications to the High Court had to be filed to vary the timelines to convene the scheme meetings and to extend various deadlines. Various measures were also implemented by the Singapore government, including the two-month circuit breaker and the encouragement of continuing remote working arrangements thereafter. Despite such challenges, the Company's Reorganisation continues to be one of its priorities in respect resource and manpower allocation.

Given current circumstances, the Company's focus is on the ongoing Reorganisation and in the immediate term, the JM Application.

Accordingly, based on the above, the Company does not expect to be able to prepare the FY2019 SR in the near future, until its Reorganization (regardless of whether a judicial manager is involved) is complete.

Please monitor SGXNet and the Company's website for any announcements or updates on the reorganisation process. 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 of the Company, 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 17 September 2020