

Ref: REG/LC/QR2020020047

6 February 2020

Hyflux Ltd
Hyflux Innovation Centre
80 Bendemeer Road
Singapore 339949

Attn: The Board of Directors

Dear Sirs

HYFLUX LTD (THE "COMPANY")

NOTICE OF COMPLIANCE: REQUIREMENT TO PERFORM QUARTERLY REPORTING OF UNAUDITED FINANCIAL STATEMENTS

1. Singapore Exchange Regulation ("**SGX RegCo**" or the "**Exchange**") refers to:
 - (a) SGX RegCo's announcement dated 9 January 2020 titled "*SGX RegCo adopts risk-based approach to quarterly reporting, mandates more robust disclosures on matters of high impact*"; and

Background

2. On 9 January 2020, SGX RegCo announced the removal of the market capitalisation threshold as a basis for quarterly reporting ("**QR**") of financial results. The amended rule 705(2) (the "**Amended Rule 705(2)**") will take effect from 7 February 2020. Instead, SGX RegCo will take a risk-based approach and will require companies to do QR if (a) auditors have issued a qualified opinion, disclaimer of opinion or adverse opinion (collectively, "**modified opinions**") or (b) companies that have a material uncertainty relating to going concern as highlighted by their auditors, both based on latest audited financial statements, to perform QR. In addition, SGX RegCo can also exercise our administrative powers to require QR for companies where we have regulatory concerns.
3. The Company is required to do QR arising from concerns surrounding Hyflux-related disclosure issues, as well as compliance with accounting and auditing standards.

Exchange's Directive: Requirement to Perform Quarterly Reporting

4. For the purposes of ensuring that the market is fair, orderly and transparent, pursuant to Mainboard Rule 1405(1)(b), SGX RegCo requires the Company to continue to do QR in accordance with the requirements set out in the Amended Rule 705(2) on an ongoing basis. The Company will be required to report the next set of quarterly financial statements, for the quarter commencing from the completion of the Company's debt restructuring ("**QR Commencement Date**").
5. The Company will need to perform QR until further notice from SGX RegCo.
6. In the announcement of your quarterly results, please include a statement on the cover page that the QR announcement is mandatory, made pursuant to the Exchange's requirements, as required under Listing Rule 705(2C).
7. Please announce the Company's requirement to perform QR due to Regulatory Concerns and the QR Commencement Date through SGXNet immediately (before 7.30am on 7 February 2020).
8. Pursuant to Mainboard Rule 1405(4), failure to comply with the requirements in this notification shall be deemed as a contravention of the Listing Rules.
9. Please note that SGX RegCo reserves the right to take disciplinary action against the Company and / or Relevant Persons for breaches of the Listing Rules, including any failure to comply with the requirements imposed by the Exchange.

Yours faithfully

June Sim
Senior Vice President
Head, Listing Compliance
Singapore Exchange Regulation