



HYFLUX LTD

Company Registration No.: 200002722Z
(Incorporated in the Republic of Singapore)

OFFER OF S\$500,000,000

IN AGGREGATE PRINCIPAL AMOUNT OF 6.00 PER CENT. (SUBJECT TO RESET/STEP-UP FROM AND INCLUDING 27 MAY 2020 AND EACH SUCCESSIVE DATE FALLING EVERY FOUR YEARS THEREAFTER) PERPETUAL CAPITAL SECURITIES TO (1) THE PUBLIC IN SINGAPORE, (2) DIRECTORS, MANAGEMENT AND EMPLOYEES OF THE ISSUER AND ITS SUBSIDIARIES AND (3) INSTITUTIONAL AND OTHER INVESTORS

Unless otherwise defined, all capitalised terms and references used in this Announcement shall have the meanings ascribed to them in the announcements dated 17 and 18 May 2016 (the "Previous Announcements") and the Offer Information Statement dated 17 May 2016 (the "Offer Information Statement").

1. Introduction

On 17 May 2016, Hyflux Ltd (the "Issuer") announced its offer of up to S\$300,000,000 in aggregate principal amount of 6.00 per cent. (subject to reset/step-up from and including 27 May 2020 and each successive date falling every four years thereafter) perpetual capital securities (the "Securities"), provided that:

- (1) in the event of oversubscription under the Public Offer and/or the Placement, the Issuer may, at its discretion and in consultation with the Sole Lead Manager and Bookrunner (as defined herein), increase the issue size of the Securities under the Public Offer and/or the Placement, subject to a maximum issue size of S\$500,000,000 in aggregate principal amount of Securities;
- (2) the Issuer may, in the event of oversubscription or otherwise, at its discretion and in consultation with the Sole Lead Manager and Bookrunner, reallocate and/or determine the final allocation of the aggregate principal amount of Securities offered between the Public Offer, the Reserve Offer and the Placement, provided always that the aggregate principal amount of the Securities to be issued under the Reserve Offer shall not exceed 10 per cent. of the final issue size of the Securities and in any event shall not exceed S\$20,000,000 in aggregate principal amount of Securities; and
- (3) the Issuer reserves the right to cancel the Offer in the event that less than S\$100,000,000 in aggregate principal amount in applications are received under the Offer.

2. Close of the Offer

On 18 May 2016, the Issuer announced the close of the Placement, in respect of which valid applications of approximately S\$217,000,000 had been received (representing a subscription rate of more than four times of the original offer size of S\$50,000,000 in respect of the Securities under the Placement) as at about 6.00 p.m. on the same day. The Issuer further announced that, in view of the oversubscription under the Placement, the Issuer had, in consultation with the Sole Lead Manager and Bookrunner, decided to close the Placement at a size of S\$165,000,000 in aggregate principal

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amount of the Securities. This required a reallocation of, and the Issuer, in consultation with the Sole Lead Manager and Bookrunner, did exercise its right to reallocate, S\$115,000,000 in aggregate principal amount of the Securities from under the Public Offer to the Placement, such that there remained then S\$115,000,000 in aggregate principal amount of Securities being offered under the Public Offer.

As at the close of the Reserve Offer at 5.00 p.m. on 20 May 2016, valid applications of S\$5,995,000 in aggregate principal amount of Reserve Offer Securities were received.

As at the close of the Public Offer at 12 noon on 25 May 2016, valid applications of S\$368,027,000 in aggregate principal amount of Public Offer Securities were received. The Public Offer had a subscription rate of more than three times based on the S\$115,000,000 in aggregate principal amount of Public Offer Securities which then remained available for subscription following the reallocation of Securities from under the Public Offer to the Placement.

The total subscription for the Offer is therefore S\$591,022,000, which comprises of S\$368,027,000 under the Public Offer, S\$5,995,000 under the Reserve Offer and S\$217,000,000 under the Placement, translating to a subscription rate of approximately two times based on the original offer size of up to S\$300,000,000 in aggregate principal amount of Securities.

As stated in the Previous Announcements and the Offer Information Statement, (1) in the event of oversubscription under the Public Offer and/or the Placement, the Issuer may, at its discretion and in consultation with the Sole Lead Manager and Bookrunner, increase the issue size of the Securities under the Public Offer and/or the Placement, subject to a maximum issue size of S\$500,000,000 in aggregate principal amount of Securities; and (2) the Issuer may, in the event of oversubscription or otherwise, at its discretion and in consultation with the Sole Lead Manager and Bookrunner, reallocate and/or determine the final allocation of the aggregate principal amount of Securities offered between the Public Offer, the Reserve Offer and the Placement, provided always that the aggregate principal amount of the Securities to be issued under the Reserve Offer shall not exceed 10 per cent. of the final issue size of the Securities and in any event shall not exceed S\$20,000,000 in aggregate principal amount of Securities.

The Issuer has decided, in consultation with the Sole Lead Manager and Bookrunner, to increase the issue size of S\$115,000,000 in aggregate principal amount of Securities under the Public Offer by S\$214,005,000 in aggregate principal amount of the Securities (which includes a reallocation of S\$14,005,000 in aggregate principal amount of the Securities from under the Reserve Offer), such that S\$329,005,000 in aggregate principal amount of Public Offer Securities will be issued.

Accordingly, the total of S\$500,000,000 in aggregate principal amount of the Securities under the Offer will be allocated as follows:

- (a) S\$329,005,000 in aggregate principal amount of the Securities to the Public Offer;
- (b) S\$5,995,000 in aggregate principle amount of the Securities to the Reserve Offer; and
- (c) S\$165,000,000 in aggregate principal amount of the Securities to the Placement.

The Issuer, after consultation with the Sole Lead Manager and Bookrunner, has decided that all applicants who submitted valid applications for the Public Offer Securities under the Public Offer will be allocated all or a proportion of the Public Offer Securities which such applicants have applied for. The allocations are as follows:

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Principal amount (or range of principal amount) of Public Offer Securities applied for under the Public Offer (S\$'000)	Balloting Ratio	Principal amount of Securities under the Public Offer allocated per applicant (S\$'000)	Percentage of total principal amount of Securities under the Public Offer (%)
2	1.1	2	0.71
3	1.1	3	0.50
4	1.1	4	0.43
5	1.1	5	2.63
6	1.1	6	0.61
7	1.1	7	0.18
8	1.1	8	0.65
9	1.1	9	0.09
10	1.1	10	9.26
11	1.1	11	0.99
12	1.1	12	0.62
13	1.1	13	0.11
14	1.1	14	0.06
15	1.1	15	1.71
16	1.1	16	0.23
17	1.1	17	0.06
18	1.1	18	0.24
19	1.1	19	0.06
20	1.1	20	10.78
21	1.1	21	1.26
22	1.1	22	0.20
23	1.1	23	0.09
24	1.1	24	0.09
25 to 29	1.1	25	1.91
30 to 39	1.1	28	7.65
40 to 49	1.1	37	3.37
50 to 59	1.1	45	16.92
60 to 69	1.1	53	2.13
70 to 99	1.1	67	3.71
100 to 150	1.1	86	17.72
151 to 199	1.1	133	0.73
200 to 299	1.1	171	6.86
300 to 399	1.1	246	2.17
400 to 499	1.1	311	0.57
500 to 750	1.1	395	2.88
751 to 999	1.1	594	0.36
1,000 to 1,499	1.1	760	0.69
1,500 to 1,699	1.1	1,131	0.34
1,700 to 9,999	1.1	1,325	0.40

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Accordingly, the gross proceeds raised by the Offer is S\$500,000,000 and the net proceeds raised from the Offer (after deducting the estimated amount of expenses incurred in connection with the Offer) is S\$495,861,721.50.

When any application for the Public Offer Securities is invalid or unsuccessful, or is accepted or rejected in part only or rejected in full for any reason whatsoever, the full amount or, as the case may be, the balance of the amount paid on application, will be returned or refunded to such applicants in Singapore dollars (without interest or any share of revenue or other benefit arising therefrom) by crediting their bank accounts with the relevant Participating Bank branch, at their own risk, within 24 hours after balloting of applications for the Public Offer Securities, the receipt by such bank being a good discharge to the Issuer, the Sole Lead Manager and Bookrunner and CDP of their obligations.

3. Issue of the Securities and listing on the SGX-ST

The Issuer is also pleased to announce that the Securities will be issued on 27 May 2016. It is expected that the Securities will commence trading on the Mainboard of the SGX-ST at 9.00 a.m. on 30 May 2016, subject to the SGX-ST being satisfied that all conditions necessary for the commencement of trading of the Securities have been fulfilled. The Securities will be traded on the Mainboard of the SGX-ST under the trading name "**Hyflux 6% PerCapSec**". The SGX-ST stock code for the Securities is "**BTWZ**".

The sole lead manager and bookrunner for the Offer (the "**Sole Lead Manager and Bookrunner**") is DBS Bank Ltd.

By Order of the Board

Lim Poh Fong
Company Secretary
26 May 2016

Important Notice

Investors should note that the Securities are perpetual in nature and, unlike plain vanilla bonds, do not have a fixed redemption date. Investors will only receive all or part of their investment amount if the Securities are (i) redeemed at the option of the Issuer in accordance with the Terms and Conditions, in which case investors should receive the principal amount, together with distribution accrued (if any) or (ii) sold in the open market at the prevailing market price, in which case the investor may incur losses if the proceeds from the sale is less than the original investment. In addition, investors should also note that, as with typical perpetual capital securities, payment of distributions under the Securities may also be deferred for an indefinite period and investors have no recourse to the Issuer if such deferral is made in accordance with the Terms and Conditions.

No communication and no information in respect of this transaction may be distributed to the public in any jurisdiction where a registration or approval is required. No steps have been or will be taken in any jurisdiction (other than Singapore) where such steps would be required. The issue, the subscription for or the purchase of the Securities may be subject to specific legal or regulatory restrictions in certain jurisdictions. The Issuer assumes no responsibility for any violation of any such restrictions by any person.

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The information contained in this Announcement is qualified in its entirety by, and should be read in conjunction with, the full text of the Offer Information Statement and the Product Highlights Sheet.