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

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 TO (1) THE PUBLIC IN SINGAPORE, (2) DIRECTORS, MANAGEMENT AND EMPLOYEES OF THE ISSUER AND ITS SUBSIDIARIES AND (3) INSTITUTIONAL AND OTHER INVESTORS, SUBJECT TO THE INCREASE OF OFFER SIZE, THE REALLOCATION BETWEEN THE PUBLIC OFFER, THE RESERVE OFFER AND THE PLACEMENT AND THE RIGHT TO CANCEL THE OFFER (THE "OFFER")

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

Hyflux Ltd (the "**Issuer**") refers to the Previous Announcements and the Offer Information Statement and the offer of up to S$50,000,000 in aggregate principal amount of the Securities under the Placement.

By the close of the business on 18 May 2016 at about 6.00 p.m., valid applications of approximately S$217,000,000 in respect of the Placement were 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). The Issuer would like to announce that it has, 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 amount of the Securities. The Placement is therefore closed as at 6.00 p.m. on 18 May 2016. For the avoidance of doubt, the Reserve Offer remains open till 5.00 p.m. on 20 May 2016 and the Public Offer remains open till 12 noon on 25 May 2016.

In view of the oversubscription under the Placement, S$115,000,000 in aggregate principal amount of Securities from the Public Offer was reallocated to the Placement such that (subject to the possible increase in offer size as described in the paragraph below) S$115,000,000 and S$165,000,000 in aggregate principal amount of Securities are being offered under the Public Offer and the Placement, respectively.

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; (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 will, if so agreed with the Sole Lead Manager and Bookrunner, also have the absolute discretion to re-open the Placement.

The Securities are expected to be issued on 27 May 2016 and 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 in the Securities have been fulfilled.

By Order of the Board

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Lim Poh Fong
Company Secretary
18 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.

This Announcement does not constitute or form a part of any offer for sale or solicitation to purchase or subscribe for securities in the United States. The Securities may not be offered, subscribed or sold in the United States, or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "**Securities Act**")) absent registration under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements thereof. The Securities have not been and will not be registered under the Securities Act and the Issuer does not intend to make a public offer of its securities in the United States. Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from the Issuer and will contain detailed information about the Issuer and management, as well as financial statements.

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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. Anyone wishing to subscribe for the Securities should read the Offer Information Statement and the Product Highlights Sheet in full and must make an application in the manner set out in the Offer Information Statement.