

IMPORTANT NOTICE

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY TO ANY U.S. PERSON OR TO ANY PERSON OR ADDRESS IN THE UNITED STATES.

If you receive this document by e-mail, such e-mail is intended for the named recipient(s) only. Such e-mail and its attachments are personal to the intended recipients, are confidential and may only be read by the addressee and may not be reproduced or redistributed electronically or otherwise to any other person. If you are not an intended recipient or you do not agree to these terms, you should not open the attached offer information statement and product highlights sheet and you should delete the e-mail.

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached offer information statement and product highlights sheet. You are advised to read this disclaimer carefully before accessing, reading or making any other use of the attached offer information statement and product highlights sheet. In accessing the attached offer information statement and product highlights sheet, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access. None of Hyflux Ltd, DBS Bank Ltd. or any person who controls any of them or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers accepts any liability whatsoever for any loss howsoever arising from any use of this e-mail, the attached offer information statement or product highlights sheet or their respective contents or otherwise arising in connection therewith. **You acknowledge that the access to the attached offer information statement and product highlights sheet is intended for use by you only and you agree that you will not forward or otherwise provide access to any other person.**

Confirmation of Your Representation: In order to be eligible to view the attached offer information statement and product highlights sheet or make an investment decision with respect to the perpetual capital securities, investors must not be a U.S. person (within the meaning of Regulation S under the Securities Act (as defined below)). The attached offer information statement and product highlights sheet are being sent at your request and by accepting the e-mail and accessing the attached offer information statement and product highlights sheet, you shall be deemed to have represented and confirmed to Hyflux Ltd and DBS Bank Ltd. (1) that you are not resident in the United States (“U.S.”) nor a U.S. Person, as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the “Securities Act”) nor are you acting on behalf of a U.S. Person, the e-mail address that you gave us and to which this e-mail has been delivered is not located in the U.S., its territories and possessions, any state of the United States or the District of Columbia and, to the extent you purchase the perpetual capital securities described in the attached offer information statement and product highlights sheet, you will be doing so pursuant to Regulation S under the Securities Act, (2) you agree to be bound by the limitations and instructions herein, and (3) that you consent to delivery of the attached offer information statement and product highlights sheet and any amendments or supplements thereto by electronic transmission.

The attached documents have been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of Hyflux Ltd, DBS Bank Ltd. or any person who controls any of them nor any of their respective directors, officers, employees, representatives, agents or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the documents distributed to you in electronic format and the hard copy versions.

Restrictions: The attached documents are being furnished in connection with an offering exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the perpetual capital securities described therein.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF PERPETUAL CAPITAL SECURITIES FOR SALE OR INVITATION, OR SOLICITATION OF AN OFFER, TO SUBSCRIBE FOR OR PURCHASE THE PERPETUAL CAPITAL SECURITIES IN THE U.S. OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

THE PERPETUAL CAPITAL SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT OR UNDER ANY SECURITIES LAWS OF ANY STATE OF THE U.S. AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), UNLESS THE PERPETUAL CAPITAL SECURITIES HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OR OFFERED OR SOLD PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE PERPETUAL CAPITAL SECURITIES ARE BEING OFFERED, SOLD AND/OR DELIVERED OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN OFFSHORE TRANSACTIONS (IN EACH CASE AS DEFINED IN REGULATION S) IN RELIANCE ON REGULATION S.

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of Hyflux Ltd or DBS Bank Ltd. to subscribe for or purchase any of the perpetual capital securities described therein, and access has been limited so that it shall not constitute in the U.S. or elsewhere directed selling efforts (within the meaning of Regulation S under the Securities Act). The attached offer information statement and product highlights sheet or any materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the dealers or any affiliate of the dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the dealers or such affiliate on behalf of Hyflux Ltd in such jurisdiction.

You are reminded that you have accessed the attached offer information statement and product highlights sheet on the basis that you are a person into whose possession this offer information statement and product highlights sheet may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver these documents, electronically or otherwise, to any other person. **If you have gained access to this transmission contrary to the foregoing restrictions, you are not authorised and will be unable to purchase any of the perpetual capital securities described therein.**

Actions that You May Not Take: If you receive these documents by e-mail, you should not reply by e-mail, and you may not purchase any perpetual capital securities by doing so. Any reply e-mail communications, including those you generate by using the “Reply” function on your e-mail software, will be ignored or rejected.

YOU ARE NOT AUTHORISED AND YOU MAY NOT FORWARD OR DELIVER THE ATTACHED OFFER INFORMATION STATEMENT AND PRODUCT HIGHLIGHTS SHEET, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH OFFER INFORMATION STATEMENT AND PRODUCT HIGHLIGHTS SHEET IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THESE DOCUMENTS AND THE ATTACHED OFFER INFORMATION STATEMENT AND PRODUCT HIGHLIGHTS SHEET IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

You are responsible for protecting against viruses and other destructive items. If you receive these documents by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

OFFER INFORMATION STATEMENT DATED 17 MAY 2016

(Lodged with the Monetary Authority of Singapore on 17 May 2016)

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

This Offer Information Statement (as defined herein) is for the purposes of an offering pursuant to the Public Offer (as defined below), the Reserve Offer (as defined below) and the Placement (as defined below) of up to S\$300,000,000 in aggregate principal amount of Securities (as defined below) to be issued by Hyflux Ltd (the "Issuer") (the "Offer"). In the event of oversubscription of the Public Offer Securities (as defined herein) and/or the Placement Securities (as defined herein), the Issuer shall have the discretion, in consultation with the Sole Lead Manager and Bookrunner (as defined below), to increase the offer size of the Securities under the Public Offer and/or the Placement, subject to a maximum of S\$500,000,000 in aggregate principal amount of Securities to be issued by the Issuer, provided that the aggregate principal amount of Reserve Offer Securities (as defined herein) to be issued 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 subject to the Issuer's 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.

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

A copy of this Offer Information Statement has been lodged with the Monetary Authority of Singapore (the "Authority"). The Authority assumes no responsibility for the contents of this Offer Information Statement. Lodgement of this Offer Information Statement with the Authority does not imply that the Securities and Futures Act (Chapter 289 of Singapore), as amended or modified from time to time, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the Securities being offered for investment.

Approval in-principle has been obtained from the Singapore Exchange Securities Trading Limited (the "SGX-ST") for the listing and quotation of the Securities on the Mainboard of the SGX-ST, subject to certain conditions. The Securities will be admitted to the Official List of the SGX-ST and official quotation will commence after all conditions imposed by the SGX-ST are satisfied, including the Global Certificate (as defined herein) relating thereto having been issued. Approval in-principle granted by the SGX-ST and the listing and quotation of the Securities are not to be taken as an indication of the merits of the Issuer, its subsidiaries, associated companies (if any), joint ventures (if any), the Securities or the Offer.

The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Offer Information Statement.

The Securities are perpetual capital securities and the Issuer may, at its sole discretion, elect not to pay a distribution (or to pay only part of a distribution) which is scheduled to be paid on a Distribution Payment Date (as defined in the Terms and Conditions (as defined herein)) in accordance with the Terms and Conditions. There is no limit as to the number of times distributions and Arrears of Distribution (as defined herein) can or shall be deferred in accordance with the Terms and Conditions.

The Securities are perpetual capital securities and have no fixed redemption date. The Issuer may, at its option, redeem all (and not some only) of the Securities on 27 May 2020 or any Distribution Payment Date thereafter, at their principal amount, together with distribution accrued (including any Arrears of Distribution and any Additional Distribution Amount (as defined herein)) to (but excluding) the date fixed for redemption on the Issuer giving not less than 30 nor more than 60 days' irrevocable notice to the Securityholders (as defined herein). In addition, the Issuer may also redeem the Securities on the occurrence of certain events further described in pages 66 to 68 of this Offer Information Statement. For the avoidance of doubt, the Issuer is under no obligation to redeem the Securities at any time.

This Offer Information Statement and the Product Highlights Sheet (as defined herein) may not be sent to any person or any jurisdiction in which it would not be permissible to make an offer of the Securities and the Securities may not be offered, sold or delivered, directly or indirectly, to any person or in any such jurisdiction. Nothing in this Offer Information Statement or the Product Highlights Sheet constitutes an offer of securities for sale in the United States. The Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or under any securities laws of any state of the United States and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("Regulation S")) unless the Securities have been registered under the Securities Act or offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Securities are being offered, sold and/or delivered outside the United States to non-U.S. persons in offshore transactions (in each case as defined in Regulation S) in reliance on Regulation S. The Securities are not transferable except in accordance with the restrictions described in the section entitled "SUBSCRIPTION AND SALE".

No Securities shall be allotted or allocated on the basis of this Offer Information Statement later than six (6) months after the date of lodgement of this Offer Information Statement.

Investing in the Securities involves risks that are described on pages 26 to 45 of this Offer Information Statement.



(Incorporated in the Republic of Singapore on 31 March 2000)
(UEN/Company Registration No: 20000272Z)

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 (THE "STEP-UP DATE") AND EACH SUCCESSIVE DATE FALLING EVERY FOUR YEARS THEREAFTER) PERPETUAL CAPITAL SECURITIES (THE "SECURITIES") COMPRISING:

- (A) AN OFFER OF UP TO S\$230,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SECURITIES AT THE ISSUE PRICE (AS DEFINED HEREIN) TO THE PUBLIC IN SINGAPORE THROUGH ELECTRONIC APPLICATIONS (AS DEFINED HEREIN) (THE "PUBLIC OFFER");
- (B) AN OFFER OF UP TO S\$20,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SECURITIES AT THE ISSUE PRICE TO THE DIRECTORS, MANAGEMENT AND EMPLOYEES OF THE ISSUER AND ITS SUBSIDIARIES (THE "RESERVE OFFER"); AND
- (C) AN OFFER OF UP TO S\$50,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SECURITIES AT THE ISSUE PRICE TO INSTITUTIONAL AND OTHER INVESTORS (THE "PLACEMENT"),

PROVIDED THAT:

- (I) 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;
- (II) 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
- (III) 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.

The actual aggregate principal amount of Securities to be allocated between the Public Offer, the Reserve Offer and the Placement will be finalised on or prior to 27 May 2016 (the "Issue Date").

Applications under the Offer may only be submitted during the time periods described below (or such other time periods as the Issuer at its absolute discretion may, with the approval of the SGX-ST (if required) and the agreement of the Sole Lead Manager and Bookrunner, decide):

	Opening date and time	Closing date and time
Reserve Offer	17 May 2016 at 5.00 p.m.	20 May 2016 at 5.00 p.m.
Public Offer	18 May 2016 at 9.00 a.m.	25 May 2016 at 12 noon
Placement	18 May 2016 at 9.00 a.m.	25 May 2016 at 12 noon

Applications for the Securities may be made through the ATMs (as defined herein) of DBS Bank (including POSB) and OCBC Bank (each as defined herein), the internet banking websites of DBS Bank at <<http://www.dbs.com>> and OCBC Bank at <<http://www.ocbc.com>> or the mobile banking interface of DBS Bank.

Sole Lead Manager and Bookrunner



NOTICE TO INVESTORS

Capitalised terms used which are not otherwise defined herein shall have the same meaning as ascribed to them in the section entitled “**DEFINITIONS**” of this Offer Information Statement and the Terms and Conditions.

The Securities are perpetual capital securities and the Issuer may, at its sole discretion, elect not to pay a distribution (or to pay only part of a distribution) which is scheduled to be paid on a Distribution Payment Date in accordance with the Terms and Conditions. There is no limit as to the number of times distributions and Arrears of Distribution can or shall be deferred in accordance with the Terms and Conditions. Prospective investors should also note that, subject to Conditions 4(c) and 4(d), the Issuer shall have no obligation to pay any distribution on any Distribution Payment Date and any failure to pay a distribution in whole or in part shall not constitute a default of the Issuer in respect of the Securities.

The Securities are perpetual capital securities and have no fixed redemption date. The Issuer may, at its option, redeem all (and not some only) of the Securities on 27 May 2020 or any Distribution Payment Date thereafter, at their principal amount, together with distribution accrued (including any Arrears of Distribution and any Additional Distribution Amount) to (but excluding) the date fixed for redemption on the Issuer giving not less than 30 nor more than 60 days’ irrevocable notice to the Securityholders.

In addition, the Issuer also has the right to redeem the Securities, in whole, but not in part, at any time on giving not less than 30 nor more than 60 days’ irrevocable notice to Securityholders, at their principal amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), if:

- (a) the Issuer receives a ruling from the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that (i) the Securities will not be regarded as “debt securities” for the purposes of Section 43N(4) of the ITA and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations, (ii) the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as interest payable by the Issuer for the purposes of the withholding tax exemption on interest for “qualifying debt securities” under the ITA, or (iii) the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as sums “payable by way of interest upon any money borrowed” for the purpose of Section 14(1)(a) of the ITA;**
- (b) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date, and such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Securities then due;**

- (c) as a result of any changes or amendments to the Relevant Accounting Standard, the Securities will not or will no longer be recorded as “equity” of the Issuer pursuant to the Relevant Accounting Standard;
- (d) the Issuer satisfies the Trustee (as defined herein) immediately before giving such notice that payments by the Issuer are no longer, or would in the Distribution Period (as defined in the Terms and Conditions) immediately following that Distribution Payment Date no longer be, fully deductible by the Issuer for Singapore income tax purposes, as a result of (i) any amendment to, or change in, the laws (or any rules or regulations thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date, (ii) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date, or (iii) any generally applicable official interpretation or pronouncement which is issued or announced on or after the Issue Date that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position which is announced before the Issue Date; or
- (e) immediately before giving such notice, the aggregate principal amount of the Securities outstanding is less than 10 per cent. of the aggregate principal amount originally issued.

Applications for the Public Offer Securities must be made by way of Electronic Applications. Prospective investors who wish to apply for the Public Offer Securities and/or the Reserve Offer Securities must have a direct Securities Account with CDP. Please refer to Appendix F entitled “**TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE**” of this Offer Information Statement for more information.

The Securities are not eligible for inclusion under the CPF Investment Scheme. Accordingly, prospective investors **CANNOT** use their CPF Funds to apply for the initial offer of the Securities under this Offer Information Statement or to purchase the Securities from the market thereafter.

The Securities are also not eligible for inclusion under the SRS. Accordingly, prospective investors **CANNOT** use their SRS Funds to apply for the initial offer of the Securities under this Offer Information Statement. Investors with SRS accounts should therefore consult their stockbrokers and the relevant banks in which they hold their SRS accounts if they wish to purchase the Securities from the market using SRS Funds.

This Offer Information Statement and the accompanying Product Highlights Sheet have been prepared solely for the purpose of the Offer. Persons wishing to subscribe for the Securities offered by this Offer Information Statement should, before deciding whether to so subscribe, carefully read this Offer Information Statement in its entirety in order to make an informed assessment of the assets and liabilities, profits and losses, financial position, risk factors, and performance and prospects of the Issuer and the Group and the rights and liabilities attaching to the Securities. They should make, and shall be deemed to have made, their own independent enquiries and investigations of any bases and assumptions upon which financial projections, if any, are made or based, and carefully consider this Offer Information Statement in the light of their personal circumstances (including financial and taxation affairs). It is recommended that such persons seek professional advice from their business, legal, financial, tax or other professional advisers before deciding whether to subscribe for the Securities.

Prospective investors should read the section entitled “**RISK FACTORS**” of this Offer Information Statement on pages 26 to 45 of this Offer Information Statement and in particular, the sub-section entitled “*Risks Associated with an Investment in the Securities*” on pages 37 to 45.

Neither the Issuer nor the Sole Lead Manager and Bookrunner makes any representation to any person regarding the legality of an investment in the Securities by such person under any investment or any other laws or regulations. No information in this Offer Information Statement or the Product Highlights Sheet should be considered to be business, financial, legal or tax advice. Each investor shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer and the Group. The Trustee shall not at any time have any responsibility for the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer or the Group and each investor shall not rely on the Trustee in respect thereof.

No person is or has been authorised by the Issuer or the Sole Lead Manager and Bookrunner to give any information or to make any representation, other than those contained in this Offer Information Statement and the Product Highlights Sheet, in connection with the issue of the Securities and, if given or made, such information or representation are not to be construed, relied upon or otherwise treated as having been authorised by the Issuer or the Sole Lead Manager and Bookrunner. Nothing contained herein is, or may be relied upon as, a promise or representation to any person as to the future performance or prospects of the Issuer or any other member of the Group. The delivery of this Offer Information Statement, the Product Highlights Sheet or the issue of the Securities shall not, under any circumstances, constitute a continuing representation, or give rise to any implication, that there has been no material change in the affairs of the Issuer or any other member of the Group, or any of the information contained herein since the date hereof. Where such changes occur after the date hereof and are material, or are required to be disclosed by law and/or the rules of the SGX-ST, the Issuer may make an announcement of the same via SGXNET and, if required, lodge a supplementary or replacement document with the Authority. All investors should take note of any such announcement or supplementary or replacement document and, upon the release of such announcement or lodgement of such supplementary or replacement document, as the case may be, shall be deemed to have notice of such changes.

Each of the Sole Lead Manager and Bookrunner, the Trustee and the Agents makes no representation, warranty or recommendation whatsoever as to the merits of the Issuer, any other member of the Group, the Securities or any other matter related thereto or in connection therewith.

Nothing in this Offer Information Statement or the accompanying documents (including the Product Highlights Sheet) shall be construed as a recommendation to purchase or subscribe for the Securities.

Any action an investor may wish to take against the Issuer in accordance with the Terms and Conditions will require the cooperation of the Trustee. Investors may have no right of direct action against the Issuer and investors will need to contact the Trustee to take action against the Issuer on their behalf in accordance with the terms of the Trust Deed.

The Securities do not represent deposits with or other liabilities of the Sole Lead Manager and Bookrunner, the Trustee, the Agents or any of their respective related corporations or any other entity. Repayment under the Securities is not secured by any means. The Sole Lead Manager and Bookrunner does not in any way stand behind the capital value or performance of the Securities. The Issuer is not in the business of deposit-taking and does not hold itself out as accepting deposits nor will it accept deposits on a day-to-day basis. The Issuer is not subject to the supervision of, and are not regulated or authorised by, the Authority.

This Offer Information Statement and the accompanying documents (including the Product Highlights Sheet) may not be used for the purpose of, and does not constitute, an offer, invitation to or solicitation by or on behalf of anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation.

This Offer Information Statement and the Product Highlights Sheet may not be sent to any person or any jurisdiction in which it would not be permissible to make an offer of the Securities, and the Securities may not be offered, sold or delivered, directly or indirectly, to any such person or in any such jurisdiction. Nothing in this Offer Information Statement or the Product Highlights Sheet constitutes an offer of securities for sale in the United States. The Securities have not been and will not be registered under the Securities Act or under any securities laws of any state of the United States and may not be offered, sold or delivered within the United States or to, or for the account or benefit of U.S. persons (as defined in Regulation S) unless the Securities have been registered under the Securities Act or offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Securities are being offered, sold and/or delivered outside the United States to non-U.S. persons in offshore transactions (in each case as defined in Regulation S) in reliance on Regulation S. The Securities are not transferable except in accordance with the restrictions described in the section entitled “**SUBSCRIPTION AND SALE**” of this Offer Information Statement.

The distribution of this Offer Information Statement and/or its accompanying documents (including the Product Highlights Sheet) and the placement of the Securities may be prohibited or restricted (either absolutely or subject to various relevant requirements, whether legal or otherwise, being complied with) in certain jurisdictions under the relevant laws of those jurisdictions. Prospective investors or any other persons having possession of this Offer Information Statement and/or its accompanying documents (including the Product Highlights Sheet) are required by the Issuer, the Trustee and the Sole Lead Manager and Bookrunner to inform themselves of and observe such prohibitions and restrictions. Please refer to the section entitled “SUBSCRIPTION AND SALE” of this Offer Information Statement for further information.

Selected financial data from the audited consolidated income statements of the Group for the financial years ended 31 December 2013 (“**FY2013**”), 31 December 2014 (“**FY2014**”) and 31 December 2015 (“**FY2015**”) have been extracted and set out in Appendix B of this Offer Information Statement and selected financial data from the audited consolidated statements of financial position of the Group as at 31 December 2014 and 31 December 2015 and selected financial data from the audited consolidated statements of cash flows of the Group for FY2014 and FY2015 have been set out in Appendices C and D respectively of this Offer Information Statement.

Such selected financial information should be read together with the relevant financial notes to the respective financial statements, which are available on the website of the Issuer at <<http://www.hyflux.com>>. As at the date of this Offer Information Statement, a copy of the annual report for FY2015 is available on the website of the Issuer.

The unaudited financial statements of the Group for the first quarter ended 31 March 2016 are set out in Appendix E of this Offer Information Statement and have been extracted and reproduced from the Group’s unaudited first quarter and three months financial statements announcement dated 12 May 2016 for the financial period ended 31 March 2016.

The information contained on the website of the Issuer does not constitute part of this Offer Information Statement or the Product Highlights Sheet.

Prospective investors are advised to read the audited and unaudited consolidated financial statements (including the relevant notes) before making any investment decision in relation to the Securities.

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.

TABLE OF CONTENTS

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS	1
DEFINITIONS	3
SUMMARY OF THE OFFER AND THE SECURITIES	9
HOW THE DISTRIBUTION RATE AND THE RESET DISTRIBUTION RATE ARE CALCULATED	21
WHERE TO OBTAIN FURTHER INFORMATION	24
EXPECTED TIMETABLE OF KEY EVENTS	25
RISK FACTORS	26
CLEARING, SETTLEMENT AND CUSTODY	46
TRADING	48
SUBSCRIPTION AND SALE	49
SINGAPORE TAXATION	51
TERMS AND CONDITIONS OF THE SECURITIES	57
SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005	75
CERTAIN FINANCIAL INFORMATION RELATING TO THE GROUP	134
<u>APPENDICES</u>	
APPENDIX A –	
LIST OF SIGNIFICANT SUBSIDIARIES	A-1
APPENDIX B –	
AUDITED CONSOLIDATED INCOME STATEMENTS OF THE GROUP FOR FY2013, FY2014 AND FY2015	B-1
APPENDIX C –	
AUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE GROUP AS AT 31 DECEMBER 2014 AND 31 DECEMBER 2015	C-1

APPENDIX D –
AUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS OF THE GROUP FOR
FY2014 AND FY2015 D-1

APPENDIX E –
UNAUDITED FINANCIAL STATEMENTS OF THE GROUP FOR THE FIRST QUARTER
31 MARCH 2016 E-1

APPENDIX F –
TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE . . F-1

APPENDIX G –
ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS G-1

This page has been intentionally left blank.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements contained in this Offer Information Statement and the accompanying documents (including the Product Highlights Sheet), statements made in press releases and oral statements that may be made by the Issuer or its Directors (as defined herein), officers or employees acting on its behalf, that are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by words such as, but without limitation, “anticipate”, “believe”, “could”, “estimate”, “expect”, “forecast”, “if”, “intend”, “may”, “plan”, “possible”, “probable”, “project”, “should”, “will”, “would” or other similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the expected financial position, operating results, business strategies, plans and prospects of the Issuer and/or the Group (including statements as to the Issuer’s and/or the Group’s revenue and profitability, prospects, future plans and other matters discussed in this Offer Information Statement regarding matters that are not historical facts and including any statements as to the expansion plans of the Issuer and/or the Group, expected growth in the Issuer and/or the Group and other related matters), if any, are forward-looking statements and accordingly, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Issuer’s or the Group’s actual results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements. These factors include, among others:

- the relevant markets in Singapore and the countries in which the Issuer and the Group operate;
- interest rates in the countries where the Issuer and the Group operate;
- costs associated with environmental, health and safety and security measures;
- terrorist attacks;
- fluctuations in currency exchange rates and interest rates;
- the outcome of legal and regulatory proceedings in which the Issuer and the Group may become involved;
- the general political, social and economic conditions in Singapore and other countries in which the Issuer and the Group operate;
- occurrences of catastrophic events, natural disasters and acts of God that affect the business or property of the Issuer and the Group;
- demographic changes;
- changes in competitive conditions; and
- other factors beyond the control of the Issuer and the Group.

Important factors concerning an investment in the Securities or that could cause actual results to differ materially from the expectations of the Issuer are discussed in the section entitled “**RISK FACTORS**” of this Offer Information Statement.

Given the risks, uncertainties and other factors that may cause the actual future results, performance or achievements of the Issuer or the Group to be materially different from the results, performance or achievements expected, expressed or implied by the forward-looking statements

in this Offer Information Statement, undue reliance must not be placed on those forecasts, projections and statements. The Issuer's or the Group's actual results, performance or achievements may differ materially from those anticipated in these forward-looking statements. None of the Issuer, the Sole Lead Manager and Bookrunner, the Trustee, the Agents or any other person represents or warrants that the Issuer's or the Group's actual future results, performance or achievements will be as discussed in such forward-looking statements.

Further, each of the Issuer, the Sole Lead Manager and Bookrunner, the Trustee and the Agents disclaims any responsibility and undertakes no obligation to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future. Where such developments, events or circumstances occur and are material, or are required to be disclosed by law and/or the rules of the SGX-ST, the Issuer may make an announcement via SGXNET and, if required, lodge a supplementary or replacement document with the Authority. All investors should take note of any such announcement or supplementary or replacement document and, upon the release of such announcement or lodgement of such supplementary or replacement document, as the case may be, shall be deemed to have notice of such changes.

DEFINITIONS

For the purpose of this Offer Information Statement, the following definitions apply throughout unless the context otherwise requires or unless otherwise stated:

“\$”, “S\$” and “cents”	:	Singapore dollars and cents, respectively
“Agency Agreement”	:	The Agency Agreement to be entered into between (1) the Issuer, (2) the Paying Agent, (3) the Registrar, (4) the Calculation Agent and (5) the Trustee, as amended, varied or supplemented from time to time
“Agents”	:	The Paying Agent, the Registrar and the Calculation Agent
“ATM”	:	Automated teller machine
“ATM Electronic Application(s)”	:	Applications for the Securities made by way of ATMs belonging to the relevant Participating Bank in accordance with Appendices F and G, entitled “TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE” and “ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS” respectively, of this Offer Information Statement and the Terms and Conditions
“Authority”	:	Monetary Authority of Singapore
“Business Day”	:	A day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore
“Calculation Agent”	:	DBS Bank, acting in its capacity as the calculation agent for the Securities
“CDP”	:	The Central Depository (Pte) Limited
“Certificate”	:	A registered certificate representing one or more Securities, being substantially in the form set out in Schedule 1 or, as the case may be, Schedule 2 to the Trust Deed and, save as provided in the Terms and Conditions, comprising the entire holding of a Securityholder
“Closing Date”	:	5.00 p.m. on 20 May 2016, 12 noon on 25 May 2016 and 12 noon on 25 May 2016 being the last time and date for application for the Securities under the Reserve Offer, the Public Offer and the Placement respectively (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Issuer subsequent to the date of this Offer Information Statement)
“Companies Act”	:	Companies Act (Chapter 50 of Singapore), as amended or modified from time to time
“CPF”	:	Central Provident Fund
“CPF Funds”	:	The CPF account savings of CPF members including the moneys under the CPF Investment Scheme
“DBS Bank”	:	DBS Bank Ltd.

“Deed of Covenant”	:	The deed poll to be executed by the Issuer in favour of the relevant account holders, from time to time, of CDP in relation to the Securities
“Depository Agreement”	:	The application form to be signed by the Issuer and accepted by CDP together with the terms and conditions for the provision of depository services by CDP referred to therein
“Directors”	:	The directors of the Issuer as at the date of this Offer Information Statement
“Electronic Application(s)”	:	ATM Electronic Application(s), Internet Electronic Application(s) and mBanking Application(s)
“EPC”	:	Engineering, procurement and construction
“Euro”	:	Euro, the single currency introduced on 1 January 1999 at the start of the third stage of European Economic and Monetary Union, pursuant to the treaty establishing the European Communities, as amended by the Treaty on European Union and the Treaty of Amsterdam
“FY”	:	Financial year ended or, as the case may be, ending 31 December
“Global Certificate”	:	The global certificate representing the Securities and containing provisions which apply to the Securities
“Group”	:	The Issuer, its subsidiaries, associated companies (if any) and joint venture companies (if any) (save in the context of financial information relating to the Issuer, whereby “Group” shall mean the Issuer and its subsidiaries)
“IB”	:	Internet banking
“Internet Electronic Applications”	:	Applications for the Securities made via the IB websites of DBS Bank at < http://www.dbs.com > and OCBC Bank at < http://www.ocbc.com >
“IRAS”	:	Inland Revenue Authority of Singapore
“ISO”	:	International Organization for Standardization
“Issue Date”	:	The date of issue of the Securities, expected to be 27 May 2016
“Issue Price”	:	The issue price of the Securities, which is S\$1 per S\$1 in principal amount of the Securities (being 100 per cent. of the principal amount of the Securities)
“Issuer” or “Hyflux”	:	Hyflux Ltd
“ITA”	:	Income Tax Act (Chapter 134 of Singapore)
“IWPP”	:	Independent water and power project
“Latest Practicable Date”	:	10 May 2016, being the latest practicable date prior to the lodgement of this Offer Information Statement

“Listing Manual”	:	The listing manual of the SGX-ST, as amended or modified from time to time
“Management and Placement Agreement”	:	The management and placement agreement dated 17 May 2016 entered into between (1) the Issuer and (2) the Sole Lead Manager and Bookrunner
“m”	:	Metres
“m³”	:	Cubic metres
“m³/day”	:	Cubic metres per day
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“mBanking Application(s)”	:	Applications for Securities via the mobile banking interface of DBS Bank
“MBR”	:	Membrane bioreactor
“MEA”	:	Middle East and Africa
“MW”	:	Megawatts
“O&M”	:	Operations and maintenance
“OCBC Bank”	:	Oversea-Chinese Banking Corporation Limited
“Offer”	:	The offering of up to S\$300,000,000 in aggregate principal amount of Securities comprising the Public Offer, the Reserve Offer and the Placement, 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, 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
“Offer Information Statement”	:	This document, including any supplementary or replacement document issued by the Issuer in connection with the Securities
“Participating Banks”	:	(1) DBS Bank (including POSB) and (2) OCBC Bank
“Paying Agent”	:	DBS Bank, acting in its capacity as the paying agent for the Securities

“per cent.”	:	Per centum or percentage
“Placement”	:	The offering of the Securities to institutional and other investors outside the United States to non-U.S. persons in offshore transactions (in each case as defined in Regulation S) in reliance on Regulation S
“Placement Securities”	:	Securities offered under the Placement
“POSB”	:	Established as the Post Office Savings Bank, acquired by DBS Bank in 1998
“PRC”	:	The People’s Republic of China
“Product Highlights Sheet”	:	The product highlights sheet, prepared by the Issuer in relation to the Offer, accompanying this Offer Information Statement
“PUB”	:	Public Utilities Board
“Public Offer”	:	The offering of the Securities to the public in Singapore through the Electronic Applications
“Public Offer Securities”	:	Securities offered under the Public Offer
“Q1”	:	First quarter financial period ended 31 March
“R&D”	:	Research and development
“R&D Centre”	:	Hyflux’s membrane technology R&D centre
“Registrar”	:	DBS Bank, acting in its capacity as the registrar for the Securities
“Regulation S”	:	Regulation S under the Securities Act
“Reserve Offer”	:	The offering of the Securities to the directors, management and employees of the Issuer and its subsidiaries
“Reserve Offer Securities”	:	Securities offered under the Reserve Offer
“RMB”	:	Renminbi, the lawful currency of the PRC
“RO”	:	Reverse osmosis
“SEC”	:	U.S. Securities and Exchange Commission
“Securities”	:	The subordinated perpetual capital securities to be issued by the Issuer pursuant to the Offer, and “Security” means any of them
“Securities Account”	:	Securities account maintained by a Depositor with CDP (but does not include a securities sub-account)
“Securities Act”	:	The U.S. Securities Act of 1933, as amended
“Securityholder”	:	A person in whose name a Security is registered (or, in the case of joint holders, the first named thereof, or, as the context may require, an individual investor in the Securities), and “Securityholders” shall be construed to mean the collective of such persons

“SFA”	:	Securities and Futures Act (Chapter 289 of Singapore), as amended or modified from time to time
“SFR”	:	Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005, as amended or modified from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Sixteenth Schedule section”	:	The section entitled “ SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005 ” of this Offer Information Statement
“Sole Lead Manager and Bookrunner”	:	DBS Bank, acting in its capacity as the sole lead manager and bookrunner for the Offer
“SRS”	:	Supplementary Retirement Scheme
“SRS Funds”	:	Moneys contributed to SRS accounts under the SRS
“SWRO”	:	Seawater reverse osmosis
“Terms and Conditions”	:	The terms and conditions of the Securities to be set out in the Trust Deed, the text of which (subject to completion and amendment) is set out in the section entitled “ TERMS AND CONDITIONS OF THE SECURITIES ” of this Offer Information Statement, beginning on page 57, and any reference to a particularly numbered “ Condition ” shall be construed accordingly
“Trust Deed”	:	The Trust Deed to be entered into between (1) the Issuer, and (2) the Trustee, to constitute the Securities and containing, amongst other things, provisions for the protection of the rights and interests of the Securityholders, as amended, varied or supplemented from time to time
“Trustee”	:	Perpetual (Asia) Limited, acting in its capacity as trustee for the Securityholders
“UF”	:	Ultrafiltration
“U.S.” or the “United States”	:	United States of America
“US\$” or “U.S. Dollar”	:	United States dollars, the lawful currency of the United States

The terms “**Depositor**” and “**Depository Agent**” shall have the meanings ascribed to them respectively in the section entitled “**CLEARING, SETTLEMENT AND CUSTODY**” of this Offer Information Statement.

The term “**subsidiary**” shall have the meaning ascribed to it by Section 5 of the Companies Act, and the term “**subsidiaries**” shall be construed accordingly.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

Any reference to a time of day and dates in this Offer Information Statement shall be a reference to Singapore time and dates unless otherwise stated.

Any reference in this Offer Information Statement to any enactment is a reference to that enactment as for the time being amended, modified or re-enacted. Any word defined under the Companies Act, the SFA, the SFR or the Listing Manual or any amendment or modification thereof and not otherwise defined in this Offer Information Statement shall, where applicable, have the same meaning ascribed to it under the Companies Act, the SFA, the SFR or the Listing Manual or such amendment or modification thereof, as the case may be.

Certain Mandarin names and characters, such as those of PRC entities, properties, cities, governmental and regulatory departments, laws and regulations and notices, have been translated into English or from English names and characters, solely for convenience, and such translations should not be construed as representations that the English names actually represent the Mandarin names and characters or (as the case may be) that the Mandarin names actually represent the English names and characters.

Any discrepancies in the tables in this Offer Information Statement between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Offer Information Statement may not be an arithmetic aggregation of the figures that precede them.

SUMMARY OF THE OFFER AND THE SECURITIES

The following is a summary of the Offer and the principal Terms and Conditions and is derived from, and should be read in conjunction with, the full text of this Offer Information Statement, and is qualified in its entirety by reference to information appearing elsewhere in this Offer Information Statement.

The Offer

Issuer	:	Hyflux Ltd.
Sole Lead Manager and Bookrunner	:	DBS Bank Ltd.
Trustee	:	Perpetual (Asia) Limited.
Registrar	:	DBS Bank Ltd.
Paying Agent	:	DBS Bank Ltd.
Calculation Agent	:	DBS Bank Ltd.
Offer	:	The offering of up to S\$300,000,000 in aggregate principal amount of Securities comprising the Public Offer, the Reserve Offer and the Placement, PROVIDED THAT (I) 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, (II) 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 (III) 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.

The timetable of the Offer may be extended, shortened or modified by the Issuer to such duration as it may, at its absolute discretion, think fit, with the approval of the SGX-ST (if required) and the agreement of the Sole Lead Manager and Bookrunner, and subject to any limitation under any applicable laws. In particular, the Issuer will, if so agreed with the Sole Lead Manager and Bookrunner, have the absolute discretion to close the Public Offer, the Reserve Offer and/or the Placement early, and to re-open the Placement.

Public Offer : The offering of up to S\$230,000,000 in aggregate principal amount of Securities at the Issue Price to the public in Singapore through the Electronic Applications, subject to the increase of the size of the Offer and reallocation as described in “Increase of Offer Size and Reallocation” below.

Reserve Offer : The offering of up to S\$20,000,000 in aggregate principal amount of Securities at the Issue Price to the directors, management and employees of the Issuer and its subsidiaries, subject to reallocation as described in “Increase of Offer Size and Reallocation” below, and provided always that the aggregate principal amount of 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.

In the event of an oversubscription of the Reserve Offer Securities, the Issuer shall have the right to allocate the Reserve Offer Securities at its sole discretion. To the extent practicable, the Issuer may allocate the Reserve Offer Securities on a *pro rata* basis, subject to certain rounding adjustments to the nearest S\$1,000 in principal amount of Securities.

Placement : The offering of up to S\$50,000,000 in aggregate principal amount of Securities at the Issue Price to institutional and other investors which are non-U.S. persons, outside the United States in offshore transactions (in each case as defined in Regulation S) in reliance on Regulation S, subject to the increase of the size of the Offer and reallocation as described in “Increase of Offer Size and Reallocation” below.

Increase of Offer Size and Reallocation : In the event of oversubscription under the Public Offer and/or the Placement, the Issuer shall have the right, in consultation with the Sole Lead Manager and Bookrunner, to increase the issue size of the Securities, subject to a maximum issue size of S\$500,000,000 in aggregate principal amount of Securities and reallocate and/or determine the final allocation of such oversubscription between the Public Offer and/or 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 the aggregate principal amount of the Securities to be issued under the Reserve Offer shall not exceed S\$20,000,000 in aggregate principal amount of Securities.

The actual aggregate principal amount of Securities to be allocated between the Public Offer, the Reserve Offer and the Placement will be finalised on or prior to the Issue Date.

Application and Payment Procedures : Applications for the Public Offer Securities must be made by way of the Electronic Applications. Applications for the Reserve Offer Securities must be made directly through the Issuer who will determine, at its sole discretion, the manner and method for applications under the Reserve Offer. Applications for the Placement Securities must be made directly through the Sole Lead Manager and Bookrunner, who will determine, at its discretion, the manner and method for applications under the Placement. More details can be found in Appendix F entitled “**TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE**” of this Offer Information Statement.

The Securities will be issued in denominations of S\$1,000 each or in integral multiples thereof. An application for the Securities is subject to a minimum of (i) S\$2,000 in aggregate principal amount of Public Offer Securities, (ii) S\$2,000 in aggregate principal amount of Reserve Offer Securities, and (iii) S\$100,000 in aggregate principal amount of Placement Securities, or, in each case, higher amounts in integral multiples of S\$1,000 thereof.

The Issuer and the Sole Lead Manager and Bookrunner reserve the right to reject or accept any application in whole or in part, or to scale down or ballot any application, without assigning any reason therefor, and no enquiry and/or correspondence on their decision will be entertained. This right applies to all applications for the Securities.

Applications for the Reserve Offer Securities, the Public Offer Securities and the Placement Securities may be made from 5.00 p.m. on 17 May 2016, 9.00 a.m. on 18 May 2016 and 9.00 a.m. on 18 May 2016 to 5.00 p.m. on 20 May 2016, 12 noon on 25 May 2016 and 12 noon on 25 May 2016 respectively (or such other time(s) and date(s) as the Issuer may, at its absolute discretion, and with the approval of the SGX-ST (if required) and the agreement of the Sole Lead Manager and Bookrunner, decide). Please refer to the section entitled “**EXPECTED TIMETABLE OF KEY EVENTS**” of this Offer Information Statement for more details.

Prospective investors applying for the Securities under the Public Offer must do so by way of the Electronic Applications and follow the application procedures set out in Appendix G entitled “**ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATION**” of this Offer Information Statement.

Eligible persons (being the directors, management and employees of the Issuer and its subsidiaries) who wish to apply for the Reserve Offer Securities must get in touch with the Issuer directly. Such eligible persons may also apply for the Securities under the Public Offer and/or the Placement.

The Issuer will publicly announce the times and dates for the re-opening of the Placement, if applicable, through an SGXNET announcement to be posted on the SGX-ST's website at <<http://www.sgx.com>>. Prospective investors applying for the Placement Securities must get in touch with the Sole Lead Manager and Bookrunner directly.

Non-Usage of CPF Funds : The Securities are not eligible for inclusion under the CPF Investment Scheme. Accordingly, prospective investors CANNOT use their CPF Funds to apply for the initial offer of the Securities under this Offer Information Statement or to purchase the Securities from the market thereafter.

Use of SRS Funds : Prospective investors CANNOT use their funds under SRS to apply for the initial offer of the Securities under this Offer Information Statement. Investors with SRS accounts should therefore consult their stockbrokers and the relevant banks in which they hold their SRS accounts if they wish to purchase the Securities from the market after the completion of the Offer and the listing of the Securities on the SGX-ST using SRS Funds.

The Securities

Issue Size : Up to S\$300,000,000 in aggregate principal amount of Securities, provided that the Issuer may increase, in the event of oversubscription under the Public Offer and/or the Placement, the issue size of the Securities under the Public Offer and/or the Placement, at the discretion of the Issuer and, in consultation with the Sole Lead Manager and Bookrunner, and 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.

Issue Price : S\$1 per S\$1 in principal amount of the Securities (being 100 per cent. of the principal amount of the Securities). The Public Offer Securities and Reserve Offer Securities are payable in full upon application while the Placement Securities are payable in full on or about the Issue Date unless otherwise agreed by the Issuer and the Sole Lead Manager and Bookrunner.

Maturity Date : The Securities are perpetual capital securities in respect of which there is no maturity date. Please also see the sub-section entitled "*Redemption*" on page 16 of this Offer Information Statement.

Distributions : Each Security confers a right to receive distributions on its outstanding principal amount from the Issue Date at the applicable Distribution Rate (as defined below). Distributions shall be payable semi-annually in arrear on 27 May and 27 November of each year (each, a "**Distribution Payment Date**"), with the first payment of distribution being made on 27 November 2016 (the "**First Distribution Payment Date**").

- Distribution Rate** : The rate of distribution (the “**Distribution Rate**”) applicable to each Security shall be:
- (a) in respect of each Distribution Payment Date in the period from, and including, the Issue Date to, but excluding, 27 May 2020 (the “**Step-Up Date**”), 6.00 per cent. per annum; and
 - (b) in respect of each Distribution Payment Date in the period from, and including, the Step-Up Date and each successive date falling every four years thereafter (each, including the Step-Up Date, a “**Reset Date**”) to, but excluding, the immediately following Reset Date, the Reset Distribution Rate (as defined below).

The Reset Distribution Rate means the Swap Offer Rate (as defined in the Terms and Conditions) with respect to the relevant Reset Date plus the initial spread of 4.20 per cent. per annum (the “**Initial Spread**”) plus the step-up margin of two per cent. per annum (the “**Step-Up Margin**”).

For illustrative examples, please see the section entitled “**HOW THE DISTRIBUTION RATE AND THE RESET DISTRIBUTION RATE ARE CALCULATED**” of this Offer Information Statement.

- Distribution Deferral** : The Issuer may, at its sole discretion, elect not to pay a distribution (or to pay only part of a distribution) which is scheduled to be paid on a Distribution Payment Date by giving notice to the Trustee, the Paying Agent and the Securityholders (in accordance with Condition 14) not more than 20 nor less than five business days prior to a scheduled Distribution Payment Date.

The Issuer may not elect to defer any distribution if during the six-month period ending on the day before that scheduled Distribution Payment Date, either or both of the following have occurred:

- (a) a dividend, distribution or other payment has been declared or paid on or in respect of any of its Junior Obligations (as defined in the Terms of Conditions) or (except on a *pro rata* basis with the Securities) any of the Issuer’s Parity Obligations (as defined in the Terms and Conditions); or
- (b) any of the Issuer’s Junior Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration or (except on a *pro rata* basis with the Securities), any of the Issuer’s Parity Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration,

in each case, other than (i) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the Issuer and its subsidiaries or (ii) as a result of the exchange or conversion of the Issuer's Parity Obligations for the Issuer's Junior Obligations (a "**Compulsory Distribution Payment Event**").

Arrears of Distribution : Any distribution deferred pursuant to Condition 4(c) shall constitute "**Arrears of Distribution**". The Issuer may, at its sole discretion, elect to (in the circumstances set out in Condition 4(a)) further defer any Arrears of Distribution by complying with the notice requirement applicable to any deferral of an accrued distribution. The Issuer is not subject to any limit as to the number of times distributions and Arrears of Distribution can or shall be deferred pursuant to Condition 4 except that Condition 4(c) shall be complied with until all outstanding Arrears of Distribution have been paid in full.

Each amount of Arrears of Distribution shall bear interest as if it constituted the principal of the Securities at the Distribution Rate and the amount of such interest (the "**Additional Distribution Amount**") with respect to Arrears of Distribution shall be due and payable pursuant to Condition 4 and shall be calculated by applying the applicable Distribution Rate to the amount of the Arrears of Distribution and otherwise *mutatis mutandis* as provided in the provisions of Condition 4. The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added, for the purpose of calculating the Additional Distribution Amount accruing thereafter, to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

The Issuer:

- (i) may, at its sole discretion, satisfy any Arrears of Distribution (in whole or in part) at any time by giving notice of such election to the Trustee, the Paying Agent and the Securityholders (in accordance with Condition 14) not more than 20 nor less than five business days prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Arrears of Distribution on the payment date specified in such notice); and
- (ii) in any event shall satisfy any outstanding Arrears of Distribution (in whole but not in part) on the earliest of:
 - (a) the date of redemption of the Securities in accordance with the redemption events set out in Condition 5 (as applicable);
 - (b) the next Distribution Payment Date following the occurrence of a breach of Condition 4(d) or following the occurrence of a Compulsory Distribution Payment Event; and

- (c) the date such amount becomes due under Condition 9 or on a Winding-up (as defined in the Terms and Conditions) of the Issuer.

Any partial payment of Arrears of Distribution by the Issuer shall be shared by the Securityholders of all outstanding Securities on a *pro rata* basis.

Restrictions in the Case of a Deferral : If on any Distribution Payment Date, payments of all distribution scheduled to be made on such date are not made in full by reason of Condition 4, the Issuer shall not and shall procure that none of its subsidiaries shall:

- (a) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on, any of its Junior Obligations or (except on a *pro rata* basis) any of its Parity Obligations; or
- (b) redeem, reduce, cancel, buy-back or acquire for any consideration, and will procure that no redemption, reduction, cancellation, buy-back or acquisition for any consideration is made in respect of, any of its Junior Obligations or, (except on a *pro rata* basis) any of its Parity Obligations,

in each case, other than (i) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the Issuer and its subsidiaries, (ii) as a result of the exchange or conversion of the Issuer's Parity Obligations for the Issuer's Junior Obligations, or (iii) unless and until (A) the Issuer has satisfied in full all outstanding Arrears of Distribution or (B) the Issuer is permitted to do so by an Extraordinary Resolution (as defined in the Trust Deed) of the Securityholders.

Form and Denomination : The Securities will be issued in registered form in denominations of S\$1,000 each or integral multiples thereof and will be represented on issue by a Global Certificate registered in the name, and deposited with, CDP. Except in the limited circumstances described in the provisions of the Global Certificate, owners of interests in the Securities represented by the Global Certificate will not be entitled to receive definitive certificates in respect of their individual holdings of the Securities. The Securities which are represented by the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of CDP.

Status of the Securities : The Securities constitute direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with any Parity Obligations of the Issuer.

Subject to the insolvency laws of Singapore and other applicable laws, in the event of the Winding-up of the Issuer, the rights of the Securityholders to payment of principal of and distribution on the Securities are expressly subordinated and subject in right of payment to the prior payment in full of all claims of senior creditors of the Issuer but at least *pari passu* with all other subordinated obligations of the Issuer that are not expressed by their terms to rank junior to the claims of the Securityholders and in priority to (i) the other subordinated obligations of the Issuer that are expressed by their terms to rank junior to the claims of the Securityholders and (ii) the claims of shareholders of the Issuer.

- Set-off** : Subject to applicable law, no holder of Securities may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Securities, and each holder of Securities shall, by virtue of his holding of any Securities, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer. Notwithstanding the preceding sentence, if any of the amounts owing to any holder of Securities by the Issuer in respect of, or arising under or in connection with the Securities is discharged by set-off, such holder of Securities shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its Winding-up, the liquidator or, as appropriate, administrator of the Issuer) and, until such time as payment is made, shall hold such amount in trust for the Issuer (or the liquidator or, as appropriate, administrator of the Issuer) and accordingly any such discharge shall be deemed not to have taken place.
- Redemption** : The Securities are perpetual capital securities in respect of which there is no fixed redemption date and the Issuer shall only have the right (but not the obligation) to redeem or purchase them in accordance with the Terms and Conditions.
- Redemption at the Option of the Issuer** : The Issuer may, on giving not less than 30 nor more than 60 days' irrevocable notice to the Securityholders, redeem all (and not some only) of the Securities on 27 May 2020 or any Distribution Payment Date thereafter. Any such redemption of Securities shall be at their principal amount, together with distribution accrued (including any Arrears of Distribution and any Additional Distribution Amount) to (but excluding) the date fixed for redemption.
- Redemption for Taxation Reasons** : The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days' notice to the Securityholders (which notice shall be irrevocable), at their principal amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), if:

- (i) the Issuer receives a ruling from the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that:
 - (A) the Securities will not be regarded as “debt securities” for the purposes of Section 43N(4) of the ITA and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations; or
 - (B) the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as interest payable by the Issuer for the purposes of the withholding tax exemption on interest for “qualifying debt securities” under the ITA; or
- (ii) (A) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date; and
 - (B) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Securities then due.

Redemption for Accounting Reasons

: The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days’ notice to the Securityholders (which notice shall be irrevocable), at their principal amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, as a result of any changes or amendments to the Singapore Financial Reporting Standards issued by the Singapore Accounting Standards Council, as amended from time to time (the “**SFRS**”) or any other accounting standards that may replace SFRS for the purposes of the consolidated financial statements of the Issuer the Securities will not or will no longer be recorded as “equity” of the Issuer pursuant to the Relevant Accounting Standard.

Redemption for Tax Deductibility : The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days' notice to the Securityholders (which notice shall be irrevocable), at their principal amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), if:

- (i) the Issuer satisfies the Trustee immediately before giving such notice that, as a result of:
 - (A) any amendment to, or change in, the laws (or any rules or regulations thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date;
 - (B) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date; or
 - (C) any generally applicable official interpretation or pronouncement which is issued or announced on or after the Issue Date that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position which is announced before the Issue Date,payments by the Issuer are no longer, or would in the Distribution Period immediately following that Distribution Payment Date no longer be, fully deductible by the Issuer for Singapore income tax purposes; or
- (ii) the Issuer receives a ruling from the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA.

Redemption in the case of Minimal Outstanding Amount : The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days' notice to the Securityholders (which notice shall be irrevocable), at their principal amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, immediately before giving such notice, the aggregate principal amount of the Securities outstanding is less than 10 per cent. of the aggregate principal amount originally issued.

- Limited Rights to Institute Proceedings** : Notwithstanding any of the provisions in Condition 9, the right to institute proceedings for Winding-up is limited to circumstances where payment has become due. In the case of any distribution, such distribution will not be due if the Issuer has elected not to pay that distribution in accordance with Condition 4.
- Purchases** : The Issuer and/or any of its related corporations may at any time purchase Securities at any price in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives. Securities purchased by the Issuer or any of its related corporations may be surrendered by the purchaser through the Issuer to the Registrar for cancellation or may at the option of the Issuer or the relevant related corporation be held or resold.
- Clearing and Settlement** : The Securities will be represented by the Global Certificate. The Securities will be held in book-entry form (by delivery of the Global Certificate to CDP) pursuant to the rules of the SGX-ST and CDP.
- Listing of the Securities** : On 26 April 2016, the SGX-ST granted its approval in-principle for the listing of and quotation of the Securities on the Mainboard of the SGX-ST, subject to certain conditions.
- Approval in-principle granted by the SGX-ST and the listing of and quotation of the Securities are not to be taken as an indication of the merits of the Issuer, its subsidiaries, associated companies (if any), joint venture companies (if any), the Securities or the Offer. The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Offer Information Statement.
- Trading of the Securities** : Upon the listing of and quotation of the Securities on the Mainboard of the SGX-ST, the Securities, when issued, will be traded on the Mainboard of the SGX-ST under the book-entry (scripless) settlement system. All dealings and transactions in (including transfers of) the Securities effected through the SGX-ST and/or CDP shall be made in accordance with the “Terms and Conditions for Operation of Securities Accounts with The Central Depository (Pte) Limited”, as the same may be amended from time to time. Copies of the “Terms and Conditions for Operation of Securities Accounts with The Central Depository (Pte) Limited” are available from CDP.
- For the purposes of trading on the Mainboard of the SGX-ST, each board lot of Securities will comprise S\$1,000 in principal amount of the Securities.
- The Securities may also be traded over-the-counter on the Debt Securities Clearing and Settlement System.
- Ratings** : The Securities are unrated.

- Taxation** : All payments in respect of the Securities by or on behalf of the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Securityholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no such additional amounts shall be payable in respect of any Certificate presented for payment in certain circumstances as set out in the Terms and Conditions.
- For further details, see the section entitled “**SINGAPORE TAXATION**” of this Offer Information Statement.
- Governing Law** : The Securities shall be governed by, and construed in accordance with, the laws of Singapore.
- Selling Restrictions** : Restrictions apply to offers, sales or transfers of the Securities in various jurisdictions. In all jurisdictions, offers, sales or transfers may only be effected to the extent lawful in the relevant jurisdiction. For a description of certain restrictions on the offer and issue of the Securities and the distribution of offering material relating to the Securities, see the section entitled “**SUBSCRIPTION AND SALE**” of this Offer Information Statement for more information.
- Place of Booking** : Singapore. The office of the Issuer at which the issue of the Securities will be booked is not subject to regulation or supervision by the Authority in Singapore.

HOW THE DISTRIBUTION RATE AND THE RESET DISTRIBUTION RATE ARE CALCULATED

Illustrative Examples

The examples depicted below are purely illustrative and should not be construed as any prediction, projection or forecast as to the future and in particular should not be construed as a prediction as to movements in interest rates generally in the future.

1. Distribution Rate up to 2020

Each Security will confer a right to receive distributions on its outstanding principal amount from 27 May 2016, being the Issue Date, to (but excluding) 27 May 2020, being the Step-Up Date, at a Distribution Rate of 6.00 per cent. per annum. Distributions are payable semi-annually in arrear on 27 May and 27 November of each year, with the First Distribution Payment Date being 27 November 2016.

This Distribution Rate of 6.00 per cent. per annum comprises:

(i) the swap offer rate for a period of four (4) years (the “ 4-year SOR ”) on 16 May 2016 (the “ Initial 4-year SOR ”); and	1.80%
(ii) the Initial Spread of 4.20 per cent. per annum.	4.20%
	<u>6.00%</u>

As at 16 May 2016, the Initial 4-year SOR is derived from rates which appear on the screen of the financial data vendor, Bloomberg L.P. and specifically, the rates which appear on Page TPIS on the monitor of the Bloomberg Agency under the caption “Tullet Prebon → Rates → Interest Rate Swaps → AsiaPac → SGD” and the column headed “Ask”.

As at the Latest Practicable Date, such information which is available on the above-mentioned financial data service is only available to paying subscribers.

2. Distribution Rate from 2020

Under Condition 3(b), it is provided that if the Securities are not redeemed on 27 May 2020, the Distribution Rate from (and including) 27 May 2020 and each successive date falling every four years after 27 May 2020 (each, including 27 May 2020, a Reset Date) to (but excluding) the immediately following Reset Date will be reset to a rate, being the Reset Distribution Rate, equal to:

(i) the 4-year SOR on the second business day prior to the relevant Reset Date (the “ Reset Determination Date ”); plus	$X^{(1)}\%$
(ii) the Initial Spread; plus	4.20%
(iii) the Step-Up Margin of two per cent. per annum.	2.00%
	<u>$X^{(1)} + 6.20\%$</u>

Note:

⁽¹⁾ To be determined on the Reset Determination Date.

The Initial Spread and the Step-Up Margin will remain fixed for purposes of calculating the Reset Distribution Rate. ***The only value that is to be determined, and which could change over time, is the 4-year SOR on the applicable Reset Determination Date.***

3. Illustrative examples

Suppose a Securityholder holds a total of S\$10,000 in aggregate principal amount of Securities.

The total distribution accrued and payable per annum on the S\$10,000 in aggregate principal amount of Securities (assuming that the Issuer chooses not to defer distribution) for the period commencing on (and including) 27 May 2016 and ending on (but excluding) 27 May 2020 will be S\$600 (6.00% x S\$10,000), payable in two instalments for each year of approximately S\$300 each.

The following examples illustrate various scenarios in the event that the S\$10,000 in aggregate principal amount of Securities are not redeemed on 27 May 2020.

Scenario 1: Where the 4-year SOR on the Reset Determination Date in 2020 is **HIGHER** than the Initial 4-year SOR

Suppose the 4-year SOR on the first Reset Determination Date is 2.80 per cent. per annum, which is higher than the Initial 4-year SOR.

The Reset Distribution Rate from (and including) 27 May 2020 to (but excluding) 27 May 2024 will be 9.00 per cent. per annum comprising:

(i) the 4-year SOR on the first Reset Determination Date;	2.80%
(ii) the Initial Spread; and	4.20%
(iii) the Step-Up Margin.	2.00%
	9.00%

The total distribution accrued and payable per annum on the S\$10,000 in aggregate principal amount of Securities (assuming that the Issuer chooses not to defer distribution) for the period commencing on (and including) 27 May 2020 and ending on (but excluding) 27 May 2024 will be S\$900 (9.00% x S\$10,000), payable in two instalments for each year of approximately S\$450 each.

Scenario 2: Where the 4-year SOR on the Reset Determination Date in 2020 is the **SAME** as the Initial 4-year SOR

Suppose the 4-year SOR on the first Reset Determination Date is 1.80 per cent. per annum, which is the same as the Initial 4-year SOR.

The Reset Distribution Rate from (and including) 27 May 2020 to (but excluding) 27 May 2024 will be 8.00 per cent. per annum comprising:

(i) the 4-year SOR on the first Reset Determination Date;	1.80%
(ii) the Initial Spread; and	4.20%
(iii) the Step-Up Margin.	2.00%
	8.00%

The total distribution accrued and payable per annum on the S\$10,000 in aggregate principal amount of Securities (assuming that the Issuer chooses not to defer distribution) for the period commencing on (and including) 27 May 2020 and ending on (but excluding) 27 May 2024 will be S\$800 (8.00% x S\$10,000), payable in two instalments for each year of approximately S\$400 each.

Scenario 3: Where the 4-year SOR on the Reset Determination Date in 2020 is **LOWER** than the Initial 4-year SOR

Suppose the 4-year SOR on the first Reset Determination Date is -1.20 per cent. per annum, which is lower than the Initial 4-year SOR.

The Reset Distribution Rate from (and including) 27 May 2020 to (but excluding) 27 May 2024 will be 5.00 per cent. per annum comprising:

(i) the 4-year SOR on the first Reset Determination Date;	-1.20%
(ii) the Initial Spread; and	4.20%
(iii) the Step-Up Margin.	2.00%
	<u>5.00%</u>

The total distribution accrued and payable per annum on the S\$10,000 in aggregate principal amount of Securities (assuming that the Issuer chooses not to defer distribution) for the period commencing on (and including) 27 May 2020 and ending on (but excluding) 27 May 2024 will be S\$500 (5.00% x S\$10,000), payable in two instalments for each year of approximately S\$250 each.

4. Determination of Distribution Rate from 2024 onwards

The Reset Distribution Rate is further recalculated every four years from, and including, the Reset Determination Date in 2024 until the Issuer elects to redeem the Securities.

Assuming that the Securities are not redeemed on or prior to the Reset Determination Date in 2024, the Reset Distribution Rate for the Securities will be recalculated at that point in time in the same manner as described in paragraphs 2 and 3 above where the Reset Distribution Rate will again be equal to the sum of the applicable 4-year SOR on the Reset Determination Date in 2024, the Initial Spread and the Step-Up Margin.

WHERE TO OBTAIN FURTHER INFORMATION

If you have questions, please contact DBS Bank (including POSB) at the customer service hotlines set out below, which are available 24 hours a day, seven days a week from the date of this Offer Information Statement until the Closing Date of the Public Offer, currently expected to be 12 noon on 25 May 2016.

<p>DBS Bank</p> <p>Tel: 1800 111 1111</p> <p>POSB</p> <p>Tel: 1800 339 6666</p>

Please note that the applicable rules and regulations in Singapore do not allow DBS Bank (including POSB), via the above hotlines, to give advice on the merits of the Offer, the Securities, the Issuer or any other member of the Group or to provide investment, business, financial, legal or tax advice. If you are in any doubt as to what action you should take, please consult your business, legal, tax, financial or other professional advisers.

A printed copy of this Offer Information Statement (together with the Product Highlights Sheet) may be obtained on request, subject to availability, during operating hours from selected branches of DBS Bank (including POSB). Copies of each of this Offer Information Statement and the Product Highlights Sheet are also available on the Authority's OPERA website at <<https://opera.mas.gov.sg/ExtPortal/>>.

EXPECTED TIMETABLE OF KEY EVENTS

Date of lodgement of the Offer Information Statement	:	17 May 2016
Opening date and time for applications for the Reserve Offer Securities	:	17 May 2016, at 5.00 p.m.
Opening date and time for applications for the Public Offer Securities	:	18 May 2016, at 9.00 a.m.
Opening date and time for applications for the Placement Securities	:	18 May 2016, at 9.00 a.m.
Last date and time for applications for the Reserve Offer Securities	:	20 May 2016, at 5.00 p.m.
Last date and time for applications for the Public Offer Securities	:	25 May 2016, at 12 noon
Last date and time for applications for the Placement Securities	:	25 May 2016, at 12 noon
Date of balloting of applications for the Public Offer Securities, if necessary (in the event of an oversubscription of the Securities or otherwise). Commence returning or refunding of application moneys to unsuccessful or partially successful applicants	:	26 May 2016
Expected Issue Date of the Securities	:	27 May 2016
Expected date and time of commencement of trading of the Securities on the Mainboard of the SGX-ST	:	30 May 2016, at 9.00 a.m.

Save for the date of lodgement of the Offer Information Statement, the above timetable is indicative only and is subject to change. The dates and times of the re-opening of the Placement, if applicable, will be announced by the Issuer through SGXNET. Prospective investors applying for the Placement Securities must get in touch with the Sole Lead Manager and Bookrunner directly.

As at the date of this Offer Information Statement, the Issuer does not expect the above timetable to be modified. However, the Issuer may, with the approval of the SGX-ST (if required) and the agreement of the Sole Lead Manager and Bookrunner, extend, shorten or modify the above timetable as it may think fit subject to any limitation under any applicable laws. In particular, the Issuer will, if so agreed with the Sole Lead Manager and Bookrunner, have the absolute discretion to close the Public Offer, the Reserve Offer and/or the Placement early. The Issuer will, if so agreed with the Sole Lead Manager and Bookrunner, also have the absolute discretion to re-open the Placement.

The Issuer will publicly announce any changes to the above timetable through an SGXNET announcement to be posted on the SGX-ST's website at <<http://www.sgx.com>>.

RISK FACTORS

Prior to making an investment decision, prospective investors should carefully consider all the information set forth in this Offer Information Statement including the following risk factors that may affect the business, operational results, financial position, performance or prospects of the Issuer and/or the Group. As the market value of the Securities is affected by, amongst other things, interest rates, liquidity, exchange rates and the Issuer's and/or the Group's business performance, these risk factors could have an effect on the value of the Securities. The Securities are thus not considered to be risk-free. The risk factors set out below do not purport to be an exhaustive or comprehensive list of all the risks that may be involved in the business of the Issuer and/or the Group, or any decision to purchase, own or dispose of the Securities. There may be additional risks which the Issuer is currently unaware of which may also impair its business, operational results, financial position, performance or prospects. Prospective investors are advised to consider the nature of their prospective investment in relation to all risks. If any of the following risk factors develop into actual events, the business, operational results, financial position, performance or prospects of the Issuer and/or the Group could be materially and adversely affected. In such cases, the ability of the Issuer to comply with its obligations under the Trust Deed and the Securities may be adversely affected.

Prospective investors should not rely on the information set out herein as the sole basis for any investment decision in relation to the Securities but should seek appropriate and relevant advice concerning the appropriateness of an investment in the Securities for their particular circumstances.

Limitations of this Offer Information Statement and the Product Highlights Sheet

This Offer Information Statement and the Product Highlights Sheet are not, and do not purport to be, investment advice. A prospective investor should make an investment in the Securities only after he has determined that such investment is suitable for his investment objectives. Determining whether an investment in the Securities is suitable is the prospective investor's responsibility. This Offer Information Statement, the Product Highlights Sheet and any other document or information (or any part thereof) delivered or supplied under or in relation to the Securities (or any part thereof) should not be considered as a recommendation by the Issuer, any other member of the Group, the Sole Lead Manager and Bookrunner, or any person affiliated with each of them that any recipient of this Offer Information Statement, the Product Highlights Sheet or any such other document or information (or such part thereof) should subscribe for or purchase or sell any of the Securities.

Any recipient of this Offer Information Statement and the Product Highlights Sheet contemplating subscribing for or purchasing or selling any of the Securities should determine for himself the relevance of the information contained in this Offer Information Statement, the Product Highlights Sheet and any such other document or information (or any part thereof), and his investment should be, and shall be deemed to be, based solely upon his own independent investigation of the financial condition and affairs, and his own appraisal of the creditworthiness of the Issuer or any other member of the Group, the Terms and Conditions and any other factors relevant to his decision, including the merits and risks involved. A prospective investor should consult with his legal, tax and financial advisers prior to his decision as to whether or not to make an investment in the Securities.

RISKS RELATING TO THE ISSUER'S AND THE GROUP'S BUSINESS, FINANCIAL CONDITION AND/OR RESULTS OF OPERATIONS

The Group is vulnerable to a number of risks applicable to the industries in which it operates and those specific to its business in general. Other risks relate principally to general economic, regulatory and political conditions in the countries in which the Group's businesses are located.

If any of the following considerations and uncertainties develops into actual events, the business, results of operations and financial condition of the Group could be materially and adversely affected.

Global economic conditions may adversely affect the business, results of operations and financial condition of the Group.

The business of the Group is subject to fluctuations in the economic conditions as well as the regulatory controls in the countries which it has operations. The Group may in the future expand its businesses to other countries. The risk profile of the entities in the Group will therefore be subject to the political, economic, social, security, regulatory and/or other risks in each of the countries or businesses that the entities in the Group operate in. The business, financial condition and performance of the entities in the Group may be adversely affected by any of such political, economic, social, security, regulatory and/or other conditions or developments. Accordingly, the stability of income flow, business, financial condition, performance or prospects of the Group may in turn be adversely affected. Global economic conditions may also impact the availability of funds, which could consequently affect the Group's ability to obtain financing to fuel growth of its businesses and/or to refinance existing debt obligations.

Economic conditions in Asia may affect the business, results of operations and financial condition of the Group.

Asia is one of the key markets of the Group. As a result, the continued growth of the markets in Asia has an impact on the Group's revenue, results of operations and future growth. Over the past few years, currency fluctuations, liquidity shortages, fluctuations in interest rates and other factors have adversely affected the Asian economies. The effect of a further decline in the economic conditions in Asia could adversely affect the Group's results of operations and future growth.

Terrorist attacks, other acts of violence or war and adverse political developments may affect the business, results of operations and financial condition of the Group.

Terrorist attacks in various parts of the world may result in substantial and continuing economic volatility and social unrest globally. Further developments stemming from these events or other similar events around the world could cause further volatility. Any significant military or other response by the U.S. and/or its allies or any further terrorist activities could also materially and adversely affect international financial markets and the economies where the Group operates and may adversely affect the operations, revenues and profitability of the Group. For instance, the Issuer's largest project in the MEA region as at the Latest Practicable Date is a collaborative effort for the construction, operation and maintenance of a 500,000 m³/day seawater desalination plant in Magtaa, Algeria. Algeria has experienced volatile political, economic, security and social conditions in its recent history. The occurrence of terrorist attacks or armed conflicts in Algeria can adversely affect the Issuer's operations in Algeria.

The outbreak of an infectious disease or any other serious public health concerns in Asia, the MEA region and elsewhere could adversely impact the business, results of operations and financial condition of the Group.

The outbreak of an infectious and/or communicable disease such as the Severe Acute Respiratory Syndrome or the Influenza A virus and its variants in Asia, Ebola or the Middle East Respiratory Syndrome in the MEA region and elsewhere, together with any resulting restrictions on travel and/or imposition of quarantines, could have a negative impact on the economy and business activities in these countries, and could thereby adversely impact the revenues and results of operations of the Group. For example, should a significant number of employees at a plant be diagnosed with an infectious and/or communicable disease, the operations of that plant may be interrupted. Such disruptions may adversely affect the Group's financial condition, results and/or operations; in particular, if such outbreak becomes uncontrolled and has a material adverse economic effect in the countries where the Group operates and conducts business.

Pollution of the seawater supply to the Group's plants may adversely affect its earnings.

The desalination process of the various seawater desalination plants requires seawater from the surrounding waters off the geographical land area of respective plant sites to produce desalinated water. In the event the seawater is polluted, and depending on the level of pollution, it may not be possible for the seawater to be desalinated at all, or to be desalinated into water that is in accordance with the standards provided for under the relevant water purchase agreements or other offtake agreements (collectively, the "WPA"). For example, the seawater could be polluted by contaminants from industrial discharge, oil spills, or other events which are outside the control of the Group. Pollution of the seawater used in the desalination process may adversely affect the operating costs or earnings of the Group by requiring it to incur additional expense to desalinate the water to be in compliance with the WPA or because of reduced payments by offtakers under the WPA due to reduced water availability or quality. In the event that the degradation in seawater quality results in an inability by the Group to fully perform its obligation to provide desalinated water under the WPA, resulting in either a reduction or suspension of payment under the WPA, this would adversely and materially affect the Group's operations, business and financial condition.

The Group may engage in hedging transactions, which can limit gains and may not be able to fully reduce exposure to losses.

The Group may enter into hedging transactions to protect itself from the effects of interest rate and currency exchange fluctuations on floating rate debt. Hedging transactions may include entering into interest rate hedging instruments, purchasing or selling futures contracts, purchasing put and call options or entering into forward agreements. Hedging involves various risks, including, without limitation, risks associated with the creditworthiness of the hedge counterparty. There is no assurance that the Group would be able to adequately manage its risks through hedging transactions.

Consequently, the interest cost to the Group for the floating interest rate debt will be subject to fluctuations in interest rates. Hedging policies may not adequately cover the Group's exposure to interest rate fluctuations which could potentially affect the Group's operations or financial condition.

The Group is exposed to foreign exchange fluctuation risks.

The Group operates in several countries and, as a result, is exposed to movements in foreign exchange rates. The Group's revenues, purchases and operational expenses are primarily denominated in US dollars, Singapore dollars, RMB, Algerian dinars and Euros. As such, the Group may have a net foreign exchange exposure due to a mismatch in the currencies of receipts and payments. To the extent of such mismatch, any significant appreciation or depreciation in the

currencies of which the Group collects revenues against the currencies in which the Group's expenses are denominated may cause the Group to incur foreign exchange losses. The Group also records its financial results in Singapore dollars. Any fluctuations in currency exchange rates will also result in exchange gains and losses arising from transactions carried out in foreign currencies as well as translations of foreign currency monetary assets and liabilities as at the various balance sheet dates.

The Group may be subject to restrictions of repatriation of funds.

The Group may be subject to foreign exchange and/or capital controls that may adversely affect the ability to repatriate income or capital located outside of Singapore. Repatriation of income and capital may require the consent of the relevant governments. Delays in or refusals to grant any such approval, revocations or variations of consents previously granted, or the imposition of new restrictions may adversely affect the Group's business, results of operations and financial condition.

The Group faces increasing competition in its key markets.

The Group's businesses compete with both domestic and international companies with respect to factors such as location, facilities, supporting infrastructure, services and pricing. Intensified competition may result in increased costs for land, materials, overheads and increased delays in the approval process for new projects by the relevant government/municipal authorities, all of which may adversely affect the Group's business.

Some of the competing companies have significant financial resources, marketing and other capabilities. Domestic companies in the overseas markets have extensive knowledge of the local networks and relationships in their respective domestic markets. International companies are able to capitalise on their overseas experience and greater financial resources to compete in the markets in which the Group has an overseas presence. As a result, there can be no assurance that the Group will be able to compete successfully in the future against its existing or potential competitors or that increased competition with respect to the Group's activities may not have a material adverse effect on the Group's business, results of operations and financial condition.

Certain construction and management risks may arise within the Group's projects.

A segment of the Group's business is project-based, and good project management, procurement of materials and allocation of resources are important factors for the successful completion of projects.

The cost of materials is a significant component of the Group's expenditure. An example is steel, which is one of the key materials for the Group's water-related projects. The Group may not be able to fully pass on the cost of such materials to its customers and any increase in the cost of such raw materials could have a material adverse effect on the Group's financial condition and results of operations.

The construction and development of projects also entail significant risks, including shortages of materials or skilled labour, unforeseen engineering, environmental or geological problems, work stoppages, litigation, weather interference, floods and unforeseen cost increases, any of which could give rise to delayed completions or cost overruns. Difficulties in obtaining any requisite licences, permits, allocations or authorisations from regulatory authorities could also increase the cost, or delay the construction or opening of, new projects.

All of the above factors may affect the Group's business, results of operations and financial condition.

The Group may suffer uninsured losses.

The Group maintains insurance policies covering its assets, business and employees in line with general business practices in Singapore. There are, however, certain types of losses (such as those resulting from wars, acts of terrorism, acts of God or political risks) that are generally not insured or not fully insured because they are either uninsurable or the costs are prohibitive when compared to the probability of the risks. For example, there is no insurance available for degradation in the quality of seawater around the plants and facilities, which is the source of water used in the desalination process. The Group's existing insurance policies may not be adequate to cover damage to or loss of its desalination facilities, replacement costs, lost revenues, increased expenses or liabilities to third parties.

Should an uninsured loss or a loss in excess of insured limits occur, the Group could be required to pay compensation and/or lose capital invested in the projects, as well as anticipated future revenue from those projects. The Group would also remain liable for any debt that is with recourse to the Group and may remain liable for any mortgage indebtedness or other financial obligations. Any such loss could adversely affect the results of operations and financial condition of the Group. No assurance can be given that material losses in excess of insurance proceeds will not occur in the future or that adequate insurance coverage for the Group will be available in the future on commercially reasonable terms or at commercially reasonable rates.

In addition, the Group could be held liable for human exposure to dangerous substances in its water supplies or other environmental damage which could be sustained. There can be no guarantee that the costs of any such claims would be fully covered by the insurers or that such insurance coverage will continue to be available in the future. Moreover, insurance cover is not available at a commercially acceptable premium in respect of gradual contamination.

The Group may be involved in legal and other proceedings arising from its operations from time to time.

The Group may be involved from time to time in disputes with various parties involved in the development of its projects such as contractors, sub-contractors, suppliers, construction companies and purchasers. These disputes may lead to legal or other proceedings, and may cause the Group to incur additional costs and delays. In addition, the Group may have disagreements with regulatory bodies in the course of its operations, which may subject it to administrative proceedings and unfavourable orders, directives or decrees that result in financial losses and delay the construction or completion of its projects.

The Group may encounter problems with its business ventures or joint ventures that may affect its business.

The Group has, and expects in the future to have, interests in business ventures or joint ventures in connection with its development plans. Over time, the priorities of the Group and its business partners may diverge and existing joint ventures may no longer be relevant. Hence, the need may arise in the future for reorganisation of existing joint ventures, resulting in the exit of existing business partners and the emergence of new business partners. Any of these and other factors may affect the performance of the Group's business ventures or joint ventures, which may in turn affect the Group's results of operations and financial condition.

The Group's growth will depend on its continuing ability to secure and develop new projects.

As a large portion of the Group's business is project-based, the Group's profitability is dependent on its ability to secure new profitable projects. The ability of the Group to secure new projects may be based on a number of factors, including having the relevant technical expertise, an established

track record in the specific fields, and/or the possession of various licences and permits. In the event that the Group does not secure adequate new projects, this may have an adverse effect on the Group's business, results of operations and financial condition and prospects.

The collection, treatment and disposal of wastewater create risks different, in some respects, from the Group's water utility operations.

The wastewater collection, treatment and disposal operations of the Group providing water and wastewater services are subject to substantial regulation and involve significant environmental risks. If collection or sewage systems fail, overflow or do not operate properly, untreated wastewater or other contaminants could spill onto nearby properties or into nearby streams and rivers, causing damage to persons or property, injury to aquatic life and economic damages, which may not be recoverable in fees.

This risk is most acute during periods of substantial rainfall or flooding, which are the main causes of sewer overflow and system failure. Liabilities resulting from such damage could adversely and materially affect the Group's business, results of operations and financial condition. In the event that the Group is deemed liable for any damage caused by overflow, its losses might not be covered by insurance policies or it may be difficult to secure insurance for this business in the future at acceptable rates.

The Group is subject to risks associated with technological and regulatory changes.

A part of the Group's businesses involves the manufacture of filtration membranes. As a result, the Group is exposed to changes in technology such as the development of water treatment processes and filtration membranes, regulatory requirements from the United States Food and Drug Administration and the European Union's Directive on the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment 2002/95/EC, as well as applicable standards and certifications from entities such as NSF International (formerly known as National Sanitation Foundation) and the ISO. Any changes in legislative, regulatory or industrial requirements may render certain of the Group's purification and filtration products and processes obsolete. Acceptance of new products may also be affected by the adoption of new government regulations requiring stricter standards. For example, if a new government regulation requires industrial water discharge to be of a higher standard, and should the Group's water treatment plants not be able to meet such a standard, the Group's performance may be adversely affected.

The Group's ability to anticipate changes in technology and regulatory standards and to develop and introduce new and enhanced products successfully on a timely basis will be a significant factor in the Group's ability to grow and to remain competitive. There can be no assurance that the Group will be able to achieve the technological advances that may be necessary for it to remain competitive or that the Group's products will not become obsolete. In addition, the Group is subject to risks generally associated with new product introductions and applications, including the lack of market acceptance, delays in development or failure of products to operate properly.

The Group's customers are subject to environmental laws and regulations of the countries in which they operate and they may seek recourse from the Group should there be any violation.

The environmental laws and regulations of the countries in which the Group supports its clients require the Group's customers to meet certain standards and impose liability if these are not met. Though the Group is not directly regulated by these environmental laws and regulations, there is no assurance that the Group's customers or the relevant authorities will not seek recourse from it in the event of non-compliance with such laws and regulations, even if the Group's plants were commissioned and tested to be in compliance with the then-existing standards at the point of handing over to its customers.

In addition, the liabilities and risks imposed on the Group's customers by environmental laws may adversely impact demand for some of the Group's products or services or impose greater liabilities and risks on it, which could also have an adverse effect on the Group's competitive and financial position.

The Group may not be able to protect its processes, technologies and systems against claims by other parties.

The Group has developed designs and applications of its membranes, membrane modules and membrane systems in various industries such as electronics, pharmaceutical and food and beverage. Such applications were the result of the Group's R&D efforts. The Group has applied for relevant patents and trademarks and/or obtained licences for the use of relevant patents in respect of such designs and applications. The Group will continue to apply for patents as and when the Group determines that it is feasible to do so, based on the results of the Group's R&D.

The Group has also obtained licences from other patent owners for the use, manufacture, marketing and/or sub-licensing of patented products and processes.

Meanwhile, the Group will not have any legal recourse for the designs and applications which are not patented in the event that such solutions are successfully replicated by third parties. In the event that the applications are replicated, the Group may lose its competitive edge and the Group's turnover and profitability on these applications may be adversely affected.

Furthermore, third parties may subsequently assert claims to certain applications. In such an event, the Group may need to acquire licences to, or to contest the validity of, issued or pending patents or claims of third parties. There can be no assurance that any license acquired under such patents would be made available to the Group on acceptable terms, if at all, or that the Group would prevail in any such contest.

In addition, the Group could incur substantial costs in defending itself in lawsuits brought against the Group for alleged infringement of another party's patents. The Group relies on trade secrets, proprietary know-how and technology, which it seeks to protect, in part, by confidentiality agreements with the Group's prospective working partners and collaborators, employees and consultants.

There can be no assurance that these agreements will not be breached, that the Group will have adequate remedies for any breach, or that the Group's trade secrets and proprietary know-how will not otherwise become known or be independently discovered by others.

The Issuer and its subsidiaries are dependent on key personnel and the availability of skilled engineers.

The Issuer and its subsidiaries are dependent on the continuous efforts of its senior management, in particular, Ms Olivia Lum, Executive Chairman & Group Chief Executive Officer, Ms Lim Suat Wah, Group Executive Vice President & Group Chief Financial Officer, Mr Wong Lup Wai, Group Executive Vice President & Group Chief Operating Officer, Mr Lim Swee Kwang, Group Executive Vice President, and Mr Cheong Aik Hock, Group Executive Vice President. The loss of the services of any one or more of these senior managers may have an adverse effect on the Issuer's and/or its subsidiaries' ability to achieve its objectives.

Owing to the specialised nature of the Group's business activities, there is a limited supply of skilled engineers. To the extent that the Group is unable to recruit and/or retain the required number of skilled engineers to meet the expected increase in both production and R&D, its turnover and profitability could be negatively affected.

The Group may encounter risks associated with its conduct of business in the MEA region and the PRC.

As the Group derives a substantial portion of its revenue from the MEA region and the PRC, it faces risks associated with the conduct of business in the countries in the MEA region and the PRC.

The Group recognises that although the existing infrastructure and the financial and legal systems of the countries in the MEA region and the PRC have developed in line with the growth in their respective economies and industrial progress, such systems may not be as developed as those of other nations. The limitations in the infrastructure and the financial and legal systems could limit the growth rate that the Issuer and its subsidiaries could enjoy in these countries.

Furthermore, any significant change in the existing laws and regulations of the countries in the MEA region and/or the PRC may adversely affect the Group. The Group's business and operations in these countries are governed by their respective legal systems, and any change in the existing laws, regulations and legal system of these countries could require the Group to modify the way it conducts its business in these countries. This may also result in increased costs (including cost incurred to comply with any change in laws or regulations), as well as delays in the obtaining of licences and approvals from the relevant regulators.

The Group's experience in the implementation, interpretation and enforcement of the laws and regulations of, and commercial contracts, undertakings and commitments entered into in some of the countries in the MEA region and the PRC may also be limited. An application for approval to conduct certain activities in a country in the MEA region and/or the PRC may also be unduly protracted with the involvement of several government agencies, or the enforcement of laws and regulations and the outcome of a dispute resolution may not be as predictable as in more developed jurisdictions. The Group's business and operations and hence, the Issuer's financial performance, may be adversely affected by these delays.

The Group is also subject to foreign exchange controls in some of the countries in the MEA region and the PRC, which may limit the Group's ability to utilise its revenue effectively. In addition, the Issuer's subsidiaries in these regions are subject to relevant rules and regulations relating to currency conversion.

Water-related infrastructure businesses are often regulated. The Group's businesses are subject to the applicable laws and regulations of the countries where they are located in, and may be adversely affected by any changes in the applicable laws and regulations.

Changes in government policies, laws or regulations or their application affecting the business activities of the relevant Group's businesses may adversely affect its operating results, business and financial condition. There may be a need to incur additional costs or limit business activities to comply with new laws or regulations, such as stricter environmental or safety controls.

For instance, the Group's strategy is to invest in water-related infrastructure assets globally. Changes in laws and regulations of these countries or the implementation thereof may require the Group to obtain additional approvals, certificates, permits or licences from the relevant government authorities for the relevant companies of the Group to carry on its operations in these countries. The Group may be required to incur additional costs to ensure that it complies with any such changes. In addition, there is no assurance that the Group will be able to obtain the additional approvals, certificates, permits or licences promptly or at all, and may be required to cease operations because it lacks such approvals, certificates, permits or licences. Such changes may add to the costs of carrying on business, which could materially and adversely affect the Group's financial performance, and potentially affect the Group's operating results, business and financial condition.

Environmental risks may adversely affect the Group's water business, profitability or financial condition.

The Group's water business is exposed to environmental risks due to the nature of its operations. Water supplies may be exposed to pollution, including pollution from the development of naturally occurring compounds, or contamination resulting from man-made sources. Should any such pollution or contamination occur in respect of the water supply of water treatment facilities, including those relating to the treatment of wastewater, raw water and water for human consumption, and the affected water treatment facility is unable to substitute a water supply from an uncontaminated water source, or to adequately and cost-effectively treat the contaminated water source, this could have an adverse effect on the business profitability and accordingly, the financial position of the relevant Group company.

Further, the Group's capital and operating costs have increased substantially as a result of increases in environmental regulation arising from improved detection technology and increases in the cost of disposing residuals from the Group's water treatment plants, upgrading and building new water treatment plants, monitoring compliance activities and addressing contamination issues. There is no assurance that the Group will be able to recover these costs from parties responsible or potentially responsible for contamination. The Group's ability to recover these types of costs depends on a variety of factors, including the willingness of potentially responsible parties to settle litigation (or otherwise address the contamination) and the extent and magnitude of the contamination. Also, the Group can give no assurance regarding the adequacy of any such recovery of these costs.

The water supply to the Group's water treatment facilities is also at risk of water shortages caused by prolonged periods of drought. If there are supply shortfalls caused by prolonged periods of drought, additional costs may be incurred by the relevant Group entity to provide emergency reinforcement of supplies to areas facing shortage. Restrictions on water use may adversely affect the Group's revenues from metered customers.

Land or properties belonging to the Group may be acquired compulsorily.

The Group has expanded over the past decade into diversified locations around the world, with operations and projects in Southeast Asia, the PRC, India, the MEA and the Americas. Certain laws may allow for the land or properties acquired by the Group to be acquired compulsorily by the respective national, city or provincial governments. Such compulsory acquisitions of any of the land and/or properties acquired by the Group would have an adverse effect on the financial condition and operating results of the relevant Group entity, and correspondingly, the Group.

The Group's businesses are dependent on the policies of the respective national, city or provincial governments.

A significant part of the Group's businesses involves environmental applications of its proprietary membranes. The demand for these environmental solutions is heavily dependent on the policies of the respective national, city or provincial governments from time to time. Accordingly, any changes in the policies of the applicable national, city or provincial governments from time to time with regard to the Group's businesses will have an effect on the Group's business, financial condition and results of operations.

The Group relies on counterparties to perform their obligations.

The Group has arrangements with counterparties, such as offtakers under the respective WPAs, project owners with whom the Group enters into EPC and O&M contracts, and suppliers of key pumps and RO membranes, which are essential to the operations of its plants. If any of the Group's key counterparties fails to perform its obligations or if the creditworthiness of any of these

counterparties deteriorates, the Group's operations, business and financial condition may be materially and adversely affected. Furthermore, in the case of suppliers, significant costs and time may have to be spent in order to find a replacement provider of the supplies or services. In addition, any material increase in the prices charged to the Group for these services or supplies would adversely and materially affect the Group's operations, business and financial condition.

The Group is a new entrant to the power business.

The Group's new seawater desalination plant in Tuas, Singapore, integrates an on-site 411 megawatt combined cycle gas turbine power plant that will supply electricity to the desalination plant and to the National Electricity Market of Singapore. As the power business is a new business to the Group, the Group has entered into contracts with contractors, suppliers and operators in respect of such power plant and has only just begun to build its own team with domain expertise in the energy sector. If any of the Group's counterparties fails to perform its obligations or if the creditworthiness of any of these counterparties deteriorates, the operations of the power plant may be materially and adversely affected, which may in turn cause the Group's operations, business and financial condition to be materially and adversely affected.

The Group may require additional funding in the future due to the capital intensive nature of its business.

The Group's business, and the projects carried out by it, are capital intensive in nature. The Group generally finances its projects by obtaining long term limited or non-recourse financing, by entering into strategic joint ventures with partners who will co-finance these projects, or by the divestment of assets. To the extent that the funds generated from these financing strategies are exhausted, the Group may need to obtain additional funding (through bank borrowings or from the debt or equity capital markets) to finance these projects.

The Group may also, from time to time, come across and pursue business opportunities that the Group considers to be favourable for its future growth and prospects. To the extent that funds generated from its operations have been exhausted, the Group may need to obtain additional funding (through bank borrowings or from the debt or equity capital markets) to finance such opportunities.

The Group's working capital and capital expenditure needs may also vary materially from those presently planned and this may also result in the need for substantial new capital or funding.

Further debt financing may, apart from increasing the Group's gearing and interest expense, contain covenants that require the creation of security interests over assets or limit the Group's flexibility in its operations or financing activities. Such covenants may include negative pledges, restrictions on indebtedness, maintenance of certain financial ratios, restrictions on declaring dividends and making distributions and prohibition of amendments to material documents, amongst others. Any breach of these covenants could result in defaults under the relevant financing instruments. If the Group defaults under its financing instruments and is unable to cure the default or obtain refinancing on favourable terms, there may be a material adverse effect on the Group's financial position, results of operations, cash flows and prospects.

Additionally, there can be no assurance that the Group will be able to obtain any additional funding at commercially reasonable terms, or at all. The failure to obtain adequate or additional funding in the future may adversely affect the Group's results of operations and financial performance and may limit the expansion and growth of the Group's business.

The Group is exposed to credit risks from and defaults in payments by its customers.

The financial position and profitability of the Group are dependent, to a certain extent, on the creditworthiness of its customers. Any material default by the Group's major customers may adversely affect the Group's financial position, profitability and cash flow. The Group may also face uncertainties over the timeliness of its customers' payments and their ability to pay. The customers' ability to pay may be affected by circumstances or events that are difficult to foresee or anticipate, such as a decline in their business or an economic downturn. Hence, there is no assurance that the Group will be able to collect its trade debts fully or within a reasonable period of time and this could adversely affect the Group as a whole.

In particular, a significant portion of the Group's revenue is derived from municipal projects, and the Group is exposed to a concentration of credit risk with respect to the counterparties of these projects. Financial difficulties or political upheavals faced by such customers may have a material adverse effect on the Group's business and prospects, as the Group may lose the ability to collect outstanding receivables from these customers.

There is no assurance that the Group's customers will not default on their payments. In the event that any of the Group's key customers shall default on their payments, and to the extent that the Group is not covered by insurance for such defaults, the amount of bad debts written off will increase. This will in turn have an adverse impact on the Group's financial performance as a whole and its prospects.

RISKS ASSOCIATED WITH AN INVESTMENT IN THE SECURITIES

The Securities may not be a suitable investment for all investors.

The purchase of the Securities involves certain risks including market risk, interest rate risk, foreign exchange risk, credit risk and liquidity risk. Investors should ensure that they fully understand the nature of all these risks before making a decision to invest in the Securities. Each potential investor in the Securities must also determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities and the information contained or incorporated by reference in this Offer Information Statement and the Product Highlights Sheet;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities;
- understand thoroughly the terms of the Securities; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic and other factors that may affect its investment and its ability to bear the applicable risks.

The Securities are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Securities which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of such Securities and the impact this investment will have on the potential investor's overall investment portfolio.

This Offer Information Statement and the Product Highlights Sheet are not and do not purport to be investment advice. Investors should conduct such independent investigation and analysis regarding the Securities as they deem appropriate. Investors should also consult their own legal, tax, accounting, financial and other professional advisers to assist them in determining the suitability of the Securities for them as an investment. Investors should make an investment only after they have determined that such investment is suitable for their financial investment objectives. Investors should consider carefully whether the Securities are suitable for them in light of their experience, objectives, financial position and other relevant circumstances.

The Securities are perpetual capital securities and investors have no right to require redemption.

The Securities are perpetual and have no fixed redemption date. The Issuer is under no obligation to redeem the Securities at any time. 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.

Securityholders may not receive distribution payments if the Issuer elects to defer distribution payments under the Terms and Conditions.

The Issuer may, at its sole discretion, elect not to pay any scheduled distribution (or to pay only part of a scheduled distribution) on the Securities. The Issuer is subject to certain restrictions in relation to a dividend, distribution or other payment being declared or paid on or in respect of any of its Junior Obligations or (except on a *pro rata* basis with the Securities) any of its Parity Obligations, and the redemption, reduction, cancellation, buying back or acquisition for any consideration of its Junior Obligations or (except on a *pro rata* basis with the Securities), any of its Parity Obligations, in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the Issuer or its subsidiaries, (2) as a result of the exchange or conversion of the Issuer's Parity Obligations for its Junior Obligations, (3) unless and until any Arrears of Distribution are satisfied or (4) the Issuer is permitted to do so by an Extraordinary Resolution of the Securityholders. The Issuer is not subject to any limit as to the number of times distributions and Arrears of Distribution can be deferred pursuant to the Terms and Conditions, subject to compliance with such certain restrictions.

The Issuer may defer the payment of distributions for an indefinite period of time by delivering the relevant deferral notices to the Securityholders although Arrears of Distribution are cumulative (that is, such distributions remaining unpaid shall continue to be payable (unless paid earlier) when the Securities are redeemed at the Issuer's option), subject to the Terms and Conditions.

Any such deferral of distribution shall not constitute a default for any purpose unless, in the case of a deferral, such payment is required in accordance with Condition 4 of the Securities. Any deferral of distribution will likely have an adverse effect on the market price of the Securities. In addition, as a result of the distribution deferral provision of the Securities, the market price of the Securities may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such deferrals and may be more sensitive generally to adverse changes in the Group's financial condition.

The Issuer's obligations under the Securities are subordinated.

The obligations of the Issuer under the Securities will constitute unsecured and subordinated obligations of the Issuer. In the event that an order is made or an effective resolution is passed for the Winding-up of the Issuer, the rights of the Securityholders in respect of the Securities will (subject to and to the extent permitted by applicable law) be subordinated and subject in right of payment to the prior payment in full of all claims of senior creditors of the Issuer but at least *pari passu* with all other subordinated obligations of the Issuer that are not expressed by their terms to rank junior to the claims of the Securityholders and in priority to (i) the other subordinated obligations of the Issuer that are expressed by their terms to rank junior to the claims of the Securityholders and (ii) the claims of shareholders of the Issuer.

In the event of a shortfall of funds on a Winding-up of the Issuer, there is a real risk that an investor in the Securities will lose all or some of its investment and will not receive a full return of the principal amount or any unpaid amounts due under the Securities.

There are limited remedies for non-payment under the Terms and Conditions.

Any scheduled distribution will not be due if the Issuer elects to defer that distribution pursuant to the Terms and Conditions. Notwithstanding any of the provisions relating to non-payment defaults, the right to institute Winding-up proceedings is limited to circumstances where payment under the Securities has become due in accordance with the Terms and Conditions and the Issuer fails to make the payment when due. The only remedy against the Issuer available to any Securityholder for recovery of amounts in respect of the Securities following the occurrence of a payment default after any sum becomes due in respect of the Securities will be instituting Winding-up proceedings and/or proving and/or claiming in Winding-up in respect of any of the Issuer's payment obligations arising from the Securities.

Singapore taxation risk.

It is not clear whether the Securities will be regarded as "debt securities" by the IRAS or whether the distribution payments made under the Securities will be regarded as interest payable on indebtedness for the purposes of the ITA and whether the tax concessions available for "qualifying debt securities" under the qualifying debt securities scheme (as set out in the section entitled "**SINGAPORE TAXATION**") would apply to the Securities.

If the Securities are not regarded as "debt securities" or the distribution payments made under the Securities are not regarded as interest payable on indebtedness for the purposes of the ITA and Securityholders thereof are not eligible for the tax concessions under the qualifying debt securities scheme, the tax treatment to Securityholders may differ. Investors and Securityholders should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of the Securities.

In addition, the Securities are intended to be "qualifying debt securities" for the purposes of the ITA, subject to the fulfilment of certain conditions more particularly described in the section entitled "**SINGAPORE TAXATION**". However, there is no assurance that such Securities will enjoy or will continue to enjoy the tax concessions should the relevant tax laws be amended or revoked at any time.

The Securities may be redeemed at the Issuer's option on the first Reset Date or on any Distribution Payment Date thereafter, or on certain dates on the occurrence of certain other events.

The Terms and Conditions provide that the Securities are redeemable at the Issuer's option, in whole but not in part, on 27 May 2020, being the first Reset Date, or on any Distribution Payment Date thereafter at their principal amount together with distribution accrued (including any Arrears of Distribution and any Additional Distribution Amount) to (but excluding) the date fixed for redemption. In addition, the Issuer also has the right to redeem the Securities, in whole but not in part, at their principal amount together with distribution accrued (including any Arrears of Distribution and any Additional Distribution Amount) to (but excluding) the date fixed for redemption, if (a) the Issuer receives a ruling from the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that (i) the Securities will not be regarded as "debt securities" for the purposes of Section 43N(4) of the ITA and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations, (ii) the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as interest payable by the Issuer for the purposes of the withholding tax exemption on interest for "qualifying debt securities" under the ITA, or (iii) the distribution (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as sums "payable by way of interest upon any money borrowed" for the purposes of Section 14(1)(a) of the ITA, (b) (i) the Issuer has or will become obliged to pay additional amounts as provided for or referred to in Condition 7, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations,

rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date, and (ii) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Securities then due, (c) there are any changes or amendments to the Relevant Accounting Standard such that the Securities must not or must no longer be recorded as “equity” of the Issuer pursuant to the Relevant Accounting Standard, (d) the Issuer satisfies the Trustee that payments by the Issuer are no longer, or would in the Distribution Period immediately following the relevant Distribution Payment Date no longer be, fully deductible by the Issuer for Singapore income tax purposes, as a result of (i) any amendment to, or change in, the laws (or any rules or regulations thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date, (ii) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date, or (iii) any generally applicable official interpretation or pronouncement which is issued or announced on or after the Issue Date that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position which is announced before the Issue Date, or (e) the aggregate principal amount of the Securities outstanding is less than 10 per cent. of the aggregate principal amount originally issued.

Please see “**TERMS AND CONDITIONS OF THE SECURITIES – Redemption and Purchase**” for more information on the redemption of the Securities.

The date on which the Issuer elects to redeem the Securities may not accord with the preference of individual Securityholders. This may be disadvantageous to Securityholders in light of market conditions or the individual circumstances of the Securityholder. In addition, an investor may not be able to reinvest the redemption proceeds in comparable securities at an effective distribution rate at the same level as that of the Securities.

There is no prior market for and there is limited liquidity of the Securities.

The Securities are a new issue of securities for which there is currently no trading market. Although approval in-principle has been obtained from the SGX-ST for the listing and quotation of the Securities on the SGX-ST, no assurance can be given that an active trading market for the Securities will develop or as to the liquidity or sustainability of any such market, the ability of Securityholders to sell their Securities or the price at which Securityholders will be able to sell their Securities. Accordingly, no assurance can be given as to the liquidity of, or trading market for, the Securities. Even if an active trading market were to develop, the Securities could trade at prices that may be lower than the Issue Price. Future trading prices of the Securities will depend on many factors, including, but not limited to:

- prevailing interest rates and interest rate volatility;
- the market for similar securities;
- the Group’s operating and financial results;
- the publication of earnings estimates or other research reports and speculation in the press or the investment community;

- changes in the Group's industry and competition; and
- general market, financial and economic conditions.

The Issuer may raise or redeem other capital which affects the price of the Securities.

The Issuer may raise additional capital through the issue of other securities or other means. There is no restriction, contractual or otherwise, on the amount of securities or other liabilities which the Issuer may issue or incur and which rank senior to, or *pari passu* with, the Securities. Similarly, subject to compliance with the Terms and Conditions, the Issuer may redeem securities that rank junior to, *pari passu* with, or senior to the Securities. The issue of any such securities or the incurrence of any such other liabilities or the redemption of any such securities may reduce the amount (if any) recoverable by Securityholders on a Winding-up of the Issuer, and may increase the likelihood of a deferral of distribution under the Securities. The issue of any such securities or the incurrence of any such other liabilities or the redemption of any such securities might also have an adverse impact on the trading price of the Securities and/or the ability of Securityholders to sell their Securities.

The market value of the Securities may be subject to fluctuation.

Trading prices of the Securities may be influenced by numerous factors, including (i) the market for similar securities, (ii) the respective operating results and/or financial condition of the Issuer, its subsidiaries (if any), associated companies (if any) and joint venture companies (if any), and (iii) political, economic, financial and any other factors that can affect the capital markets, the industry and the Issuer, its subsidiaries (if any), associated companies (if any) and joint venture companies (if any) generally. Adverse economic developments in Singapore as well as countries in which the Issuer, its subsidiaries (if any), associated companies (if any) and joint venture companies (if any) operate or have business dealings could have a material adverse effect on the business, financial performance and financial condition of the Issuer, its subsidiaries (if any), associated companies (if any) and joint venture companies (if any) and the market value of the Securities. As a result, the market price of the Securities may be above or below the Issue Price.

An investment in the Securities is subject to interest rate risk.

Securityholders may suffer unforeseen losses (both realised and unrealised) due to fluctuations in interest rates. The Securities are securities which, subject to the Terms and Conditions, pay a fixed distribution amount and upon redemption of the Securities, pay a fixed redemption amount. Such securities may therefore see their price fluctuate due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the prices of the Securities. The market value of the Securities may be similarly affected which may result in a capital loss for Securityholders. Conversely, when interest rates fall, the prices of the Securities and the prices at which the Securities trade may rise. Securityholders may enjoy a capital gain but distributions received may be reinvested at lower prevailing interest rates.

A rise or fall in interest rates may also affect the applicable Distribution Rate of the Securities. For illustrative examples on how fluctuations in interest rates may affect the applicable Distribution Rate of the Securities, please see the section entitled "**HOW THE DISTRIBUTION RATE AND THE RESET DISTRIBUTION RATE ARE CALCULATED**" of this Offer Information Statement for more information on the calculation of Distribution Rates.

An investment in the Securities is subject to inflation risk.

Securityholders may suffer erosion on the return of their investments due to inflation. Securityholders may have an anticipated real rate of return based on expected inflation rates on the purchase of the Securities. An unexpected increase in inflation could reduce the actual real returns.

The Securities are structurally subordinated to any and all existing and future liabilities and obligations of the Issuer's subsidiaries, associated companies and joint ventures.

Most of the Issuer's assets are shareholdings (direct and indirect) in its subsidiaries, associated companies and joint ventures. Both the timing and the ability of certain subsidiaries, associated companies and joint ventures to pay dividends may be constrained by applicable laws. In the event that the Issuer's subsidiaries, associated companies and joint ventures do not pay any dividends or do so irregularly, the Group's cash flow may be adversely affected.

As a result of the holding company structure of the Group, the Securities are structurally subordinated to any and all existing and future liabilities and obligations of the Issuer's subsidiaries, associated companies and joint ventures. Generally, claims of creditors, including trade creditors, of such companies will have priority with respect to the assets and earnings of such companies over the claims of the Issuer and its creditors, including the Securityholders to the extent that amounts are due and payable under the Securities. For the avoidance of doubt, the Securities will rank *pari passu* with the S\$400,000,000 6.00 per cent. cumulative non-convertible non-voting perpetual Class A preference shares, the S\$300,000,000 in aggregate principal amount of 5.75 per cent. perpetual capital securities and the S\$175,000,000 in aggregate principal amount of 4.80 per cent. perpetual capital securities issued by the Issuer. The Securities will not be guaranteed.

Modification and waivers.

The Terms and Conditions and the Trust Deed contain provisions for convening meetings of Securityholders to consider matters affecting their interests, including modification by Extraordinary Resolution of the Securities (including the Terms and Conditions) or any provisions of the Trust Deed. These provisions permit defined majorities to bind all Securityholders, including Securityholders who did not attend and vote at the relevant meeting and Securityholders who voted in a manner contrary to the majority.

The Terms and Conditions also provide that the Trustee may, without the consent of Securityholders, agree to any modification of any provisions of the Trust Deed or any of the Issue Documents (as defined in the Trust Deed) or the Securities and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any of the Issue Documents which is in the opinion of the Trustee not materially prejudicial to the interests of the Securityholders or agree to any modification of any provisions of the Trust Deed or any of the Issue Documents or the Securities which in the opinion of the Trustee is of a formal, minor or technical nature, is made to correct a manifest or proven error or to comply with mandatory provisions of Singapore law or is required by CDP.

Consequences of non-availability of definitive certificates in respect of the Securities.

The Securities will be in the form of the Global Certificate and no definitive certificates will be issued under any circumstances unless (i) an Enforcement Event (as defined in the Terms and Conditions) has occurred and is continuing, (ii) CDP is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise), (iii) CDP has announced an intention to permanently cease business and no alternative clearing system is available or (iv) CDP has notified the Issuer that it is unable or unwilling to act as depository for the Securities

and to continue performing its duties set out in its terms and conditions for the provision of depository services. **Individual Securityholders must hold their Securities in a direct Securities Account with CDP or a securities sub-account and/or investment account with a Depository Agent. For the purpose of the initial allocation of the Securities, prospective investors of the Public Offer and/or the Reserve Offer must already have, or must open, a direct Securities Account with CDP.** See the section entitled “**CLEARING, SETTLEMENT AND CUSTODY**” of this Offer Information Statement for further details. An investor’s ability to pledge his interest in the Securities to any person or otherwise to take action in respect of his interest may be affected by the lack of any definitive certificates.

The standard terms and conditions of the securities sub-account and/or investment account of a Depository Agent may permit it to take a security interest in, or to impose other restrictions on, the Securities credited to the account or to exercise a lien, right of set-off or similar claim against investors in respect of moneys held in any of an investor’s accounts maintained with it to secure any amounts which may be owing by such investor to it.

For so long as the Securities are represented by the Global Certificate and the Global Certificate is issued in the name of CDP, notices to Securityholders will only be valid if (i) (where the identity and the addresses of the Securityholders are known to the Issuer) mailed to such Securityholders at their respective addresses in the Register (as defined in the Terms and Conditions) to be kept by the Registrar, (ii) published in a daily newspaper of general circulation in Singapore which is expected to be *The Business Times* or (iii) if the rules of CDP so permit, delivered to CDP for communication by it to the Securityholders. Where the Securities are held by an investor in a securities sub-account with a Depository Agent, for notices under (i) above, such investor will have to rely on his Depository Agent (as defined below) to distribute notices to him. The Issuer, the Sole Lead Manager and Bookrunner, the Trustee and the Agents accept no responsibility for any failure or delay on the part of the Depository Agents in doing so.

For so long as any of the Securities is represented by the Global Certificate and the Global Certificate is registered in the name of CDP, each person who is for the time being shown in the records of CDP as the holder of a particular principal amount of such Securities (in which regard any certificate or other document issued by CDP as to the principal amount of such Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest or proven error) shall be treated by the Issuer, the Trustee, the Paying Agent, the Calculation Agent and the Registrar as the holder of such principal amount of Securities standing to the credit of its securities account for all purposes other than with respect to the payment of principal, premium, interest, distribution, redemption, purchase and/or any other amounts which accrue or are otherwise payable by the Issuer through CDP on such principal amount of such Securities, for which purpose the person whose name is shown on the Register shall be treated by the Issuer, the Trustee, the Paying Agent, the Calculation Agent and the Registrar as the holder of such principal amount of such Securities in accordance with and subject to the terms of the Global Certificate. Securities which are represented by the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of CDP. Where the Securities are held by an investor in his direct Securities Account with CDP, payments in respect of the Securities will be credited through CDP from the Issuer. Where the Securities are held by an investor in a securities sub-account and/or investment account with a Depository Agent, the investor will have to rely on his Depository Agent to credit his account with payments. The Issuer, the Sole Lead Manager and Bookrunner, the Trustee, the Registrar and the Paying Agent accept no responsibility for any failure or delay on the part of the Depository Agents in performing their contractual duties to investors.

Holders of beneficial interests in the Global Certificate will not have a direct right to vote in respect of the Securities. Instead, such holders will be permitted to act only to the extent that they are enabled to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global

Certificate will not have a direct right under the Global Certificate to take enforcement action against the Issuer except in certain limited circumstances in respect of the relevant Securities and will have to rely upon their rights under the Trust Deed.

The Trustee may request Securityholders to provide an indemnity and/or security and/or pre-funding to its satisfaction

In certain circumstances (pursuant to Condition 9), the Trustee may, at its discretion, request Securityholders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes action on behalf of Securityholders. The Trustee shall not be obliged to take any such action if not indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or pre-funding can be a lengthy process and may have an impact on when such actions can be taken, or at all. The Trustee may not be able to take action, notwithstanding the provision of an indemnity and/or security and/or pre-funding to it, in breach of the terms of the Trust Deed and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Securityholders to take such action directly.

The performance of contractual obligations by the Issuer is dependent on other parties.

The ability of the Issuer to make payments in respect of the Securities may depend upon the due performance by the other parties to the Trust Deed and the Agency Agreement of their obligations thereunder including the performance by the Trustee and/or any of the Agents of their respective obligations. Whilst the non-performance of any relevant parties will not relieve the Issuer of its obligations to make payments in respect of the Securities, the Issuer may not, in such circumstances, be able to fulfil its obligations to the Securityholders.

Legal investment considerations may restrict certain investments.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should seek independent legal advice to determine whether and to what extent (i) Securities are legal investments for the potential investor, (ii) Securities can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Securities under any applicable risk-based capital or similar rules.

Securityholders are exposed to financial risks.

Distribution payment, where applicable, and principal repayment for debts occur at specified periods (so long as not deferred) regardless of the performance of the Group. In the event that the Group suffers a deterioration in its financial condition (such as a serious decline in net operating cash flows), there is no assurance that the Issuer will have sufficient cash flow to meet payments under the Securities. Under such circumstances, the ability of the Issuer to meet payment expectations under the Trust Deed and the Securities may be adversely affected. The Issuer may be unable to make distribution payments, where applicable, or principal repayments under the Securities should the Group suffer serious decline in net operating cash flows.

Exchange rate risks and exchange controls may result in Securityholders receiving less distributions or principal than expected.

The Issuer will pay distributions on the Securities in Singapore dollars. This presents certain risks relating to currency conversions if a Securityholder's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than Singapore dollars. These include the risk that exchange rates may significantly change (including changes

due to devaluation of Singapore dollars or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to Singapore dollars would decrease (i) the Investor's Currency equivalent yield on the Securities, (ii) the Investor's Currency equivalent value of the principal payable on the Securities and (iii) the Investor's Currency equivalent market value of the Securities.

The Trustee may not request for the Issuer to procure any one or more of its subsidiaries to become a guarantor.

The Trust Deed does not provide for the right of the Trustee, in any event, to call upon the Issuer to procure any one or more of its subsidiaries to become a guarantor for the Securities. The Securities are not guaranteed.

Global financial turmoil has led to volatility in international capital markets which may adversely affect the market price of the Securities.

The global financial turmoil has resulted in substantial and continuing volatility in international capital markets. Any further deterioration in global financial conditions could have a material adverse effect on worldwide financial markets (including Singapore), which may adversely affect the market price of the Securities.

Prospective investors should ensure that they have sufficient knowledge and awareness of, and take into account, the developing global financial and wider economic situation and outlook over time as they consider necessary to enable them to make their own evaluation of the risks and merits of an investment in the securities, including in particular any volatility and uncertainty.

CLEARING, SETTLEMENT AND CUSTODY

The following is a summary of the clearance, settlement and custody arrangements for the Securities.

Clearance and Settlement through CDP

The Securities, upon being accepted for clearance by CDP, will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities (“**Depository System**”) maintained by CDP.

CDP, a wholly owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

The entire issue of the Securities, upon being accepted for clearance by CDP, is to be held by CDP in the form of the Global Certificate for persons holding the Securities in Securities Accounts with CDP (the “**Depositors**”). Delivery and transfer of the Securities between Depositors is by electronic book-entries in the records of CDP only, as reflected in the Securities Accounts of Depositors. Although CDP encourages settlement on the third Market Day following the trade date of debt securities, market participants may mutually agree on a different settlement period if necessary.

Settlement of over-the-counter trades in the Securities through the Depository System may only be effected through certain corporate depositors (“**Depository Agents**”) approved by CDP under the SFA to maintain securities sub-accounts and to hold the Securities in such securities sub-accounts for themselves and their clients. Accordingly, the Securities for which trade settlement is to be effected through the Depository System must be held in securities sub-accounts with Depository Agents. Depositors holding the Securities in direct Securities Accounts with CDP, and who wish to trade such Securities through the Depository System, must transfer such Securities to be traded from such direct Securities Accounts to a securities sub-account with a Depository Agent for trade settlement.

General

CDP is not involved in money settlement between Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payment of interest and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfer of interests in the Securities in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Trustee, the Agents or any other agents will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

Custody Arrangements with Depository Agents

Definitive Securities, or certificates representing Securities, will not be issued to individual holders of Securities (except in the limited circumstances described in the provisions of the Global Certificate).

The Securities, as represented by the Global Certificate, will be credited to the accounts of the Securityholders with CDP. For so long as the Securities are represented by the Global Certificate held through CDP, the Depository Agents and individual Securityholders with direct Securities Accounts will be treated as holders of the Securities for all purposes other than with respect to the payment of principal, distribution or other amounts in respect of the Securities, the right to which shall be vested, as against the Issuer, solely in the registered holder of the Global Certificate.

Clearing Fees

With effect from 1 June 2014, a clearing fee for the trading of the Securities on the Mainboard of the SGX-ST is payable at the rate of 0.0325 per cent. of the transaction value. The clearing fee may be subject to goods and services tax at the prevailing rate (currently 7.0 per cent.).

TRADING

Approval in-principle has been obtained from the SGX-ST for the listing of and quotation of the Securities on the Mainboard of the SGX-ST, subject to certain conditions. The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Offer Information Statement and the Product Highlights Sheet. Approval in-principle granted by the SGX-ST and the listing of and quotation of the Securities on the Mainboard of the SGX-ST are not to be taken as an indication of the merits of the Issuer, the Group, the joint ventures and associated entities of the Issuer, the Securities or the Offer.

Upon the listing and quotation of the Securities on the Mainboard of the SGX-ST, the Securities will be traded on the Mainboard of the SGX-ST under the book-entry (scripless) settlement system. The Securities may also be traded over-the-counter on the Debt Securities Clearing and Settlement System. All dealings in and transactions (including transfers) of the Securities effected through the SGX-ST and/or CDP shall be made in accordance with CDP's "Terms and Conditions for Operation of Securities Accounts with The Central Depository (Pte) Limited", as the same may be amended from time to time. Copies of the "Terms and Conditions for Operation of Securities Accounts with The Central Depository (Pte) Limited" are available from CDP.

For the purposes of trading on the Mainboard of the SGX-ST, each board lot of Securities will comprise S\$1,000 in principal amount of Securities.

Dealings in the Securities will be carried out in Singapore dollars and will be effected for settlement through the CDP on a scripless basis. Settlement of trades on a normal "ready" basis on the SGX-ST generally takes place on the third Market Day following the transaction date. CDP holds securities on behalf of investors in Securities Accounts.

An investor may open a direct Securities Account with CDP or a securities sub-account with any Depository Agent. A Depository Agent may be a member company of the SGX-ST, bank, merchant bank or trust company. Prospective investors who wish to apply for the Public Offer Securities directly should note that they must already have, or must open, a direct Securities Account with CDP.

Prospective investors who wish to open a Securities Account with CDP directly can do so personally at CDP's office at 9 North Buona Vista Drive #01-19/20 The Metropolis Singapore 138588. Further details can be obtained as follows:

- (i) CDP's hotline at (65) 6535 7511, which is available on Mondays to Fridays from 8.30 a.m. to 5.00 p.m. and on Saturdays from 9.00 a.m. to 12.30 p.m. The hotline is not available on Sundays and public holidays; or
- (ii) CDP's website at <<https://www1.cdp.sg.com/sgx-cdp-web/login>>.

The Securities will be represented by the Global Certificate registered in the name of, and deposited with, CDP and, except in the limited circumstances described in the provisions of the Global Certificate, owners of interests in Securities represented by the Global Certificate will not be entitled to receive definitive certificates in respect of their individual holdings of Securities.

For so long as the Securities are represented by the Global Certificate held through CDP, distributions payable on the Securities will be determined based on each Securityholder's aggregate holdings in his direct Securities Account. CDP will credit distributions to a Securityholder into the bank account linked to his Securities Account, or send the Securityholder a cheque by ordinary mail if there is no such link. Investors who wish to apply for a bank account to be linked to their Securities Account may submit a completed application form which may be obtained from CDP. Where the Securities are held by an investor in a securities sub-account and/or investment account with a Depository Agent, the investor will have to rely on his Depository Agent to credit his account with distribution payments. The Issuer, the Sole Lead Manager and Bookrunner, the Trustee and the Agents accept no responsibility for any failure or delay on the part of any Depository Agent in doing so or in respect of the performance of the contractual duties of any Depository Agent to any investor.

SUBSCRIPTION AND SALE

The following section contains the selling restrictions on the offer of the Securities and the distribution of offering materials in various jurisdictions.

GENERAL

This Offer Information Statement and the Product Highlights Sheet do not constitute an offer, solicitation or invitation to subscribe for and/or purchase the Securities in any jurisdiction in which such offer, solicitation or invitation is unlawful or is not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. No action has been taken or will be taken under the requirements of the legislation or regulation of, or of the legal regulatory requirements of any jurisdiction to permit an offering of the Securities to occur in any jurisdiction, or the possession, circulation, or distribution of this Offer Information Statement, its accompanying documents (including the Product Highlights Sheet) or any other material relating to the Issuer or the Securities in any jurisdiction where action for such purpose is required, except that this Offer Information Statement and the Product Highlights Sheet have been lodged with the Authority.

Accordingly, the Securities may not be delivered, offered or sold, directly or indirectly, and none of this Offer Information Statement, its accompanying documents (including the Product Highlights Sheet) or any offering materials or advertisements in connection with the Securities may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. Investors are advised to consult their legal advisers prior to applying for the Securities or making any offer, sale, resale or other transfer of the Securities.

Each person who purchases the Securities shall do so in accordance with the securities regulations in each jurisdiction applicable to it.

This Offer Information Statement and/or its accompanying documents (including the Product Highlights Sheet) are made available to investors solely for their information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

UNITED STATES

The Securities have not been and will not be registered under the Securities Act or under any securities laws of any state of the United States and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S), unless the Securities have been registered under the Securities Act or offered and sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this section have the meanings given to them by Regulation S.

The Sole Lead Manager and Bookrunner has agreed that, except as permitted by the Management and Placement Agreement, it will not offer or sell the Securities (i) as part of its distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date of the offering (the “**Distribution Compliance Period**”), within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S), and it will send to each dealer to which it sells the Securities during the Distribution Compliance Period a confirmation or other notice setting forth the restrictions on offers and sales of the Securities within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S).

The Securities are being offered and sold, outside the United States to non-U.S. persons in offshore transactions (in each case as defined in Regulation S) in reliance on Regulation S.

In addition, until the expiration of the Distribution Compliance Period, an offer or sale of the Securities within the United States by a dealer whether or not participating in the Offer, may violate the registration requirements of the Securities Act if such offer is made otherwise than pursuant to an exemption from registration under the Securities Act.

HONG KONG

The Securities have not been and will not be offered or sold in Hong Kong, by means of any document, other than (i) to “professional investors” as defined in the Securities and Futures Ordinance, Chapter 571 of Hong Kong (the “**Securities and Futures Ordinance**”) and any rules made under the Securities and Futures Ordinance, or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of Hong Kong (the “**Companies Ordinance**”), or which do not constitute an offer to the public within the meaning of the Companies Ordinance.

No advertisement, invitation or document relating to the Securities has been or will be issued, or possessed for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance and any rules made under that Ordinance.

SINGAPORE TAXATION

The statements made herein regarding taxation are general in nature and based on certain aspects of the tax laws of Singapore and administrative guidelines and circulars issued by the relevant authorities in force as of the date of this Offer Information Statement and are subject to any changes in such laws, administrative guidelines or circulars, or in the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retrospective basis. The statements made herein do not purport to be a comprehensive or exhaustive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the Securities and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Securities are advised to consult their own tax advisers as to the Singapore or other tax consequences of the acquisition, ownership or disposition of the Securities including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Sole Lead Manager and Bookrunner, and any other persons involved in this Offer Information Statement accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Securities.

1. Recognition of the Securities for Singapore income tax purposes

For all intents and purposes, the Securities are legally regarded as a debt instrument. The Singapore income tax treatment should be aligned with its legal form and accordingly regarded as a debt instrument for tax purposes. Distributions (including Arrears of Distribution and any Additional Distribution Amount) made by the Issuer under the Securities (to the extent that it does not include any capital component and is economically akin to interest) should be regarded as interest for Singapore income tax purposes. This is subject to the agreement of the IRAS.

Where the IRAS disagrees with the above and regards the Securities as an equity instrument instead, distributions (including Arrears of Distribution) from the Securities shall be regarded as dividend for Singapore income tax purposes.

Under such circumstances, no tax deduction of the distributions (including Arrears of Distribution and possibly the Additional Distribution Amount as well) payable on the Securities shall be allowed to the Issuer. From a Securityholder's perspective, the distributions (or Arrears of Distribution where applicable) declared by the Issuer shall be regarded as a 1-Tier tax exempt dividend and shall be exempted from Singapore income tax, subject to the Issuer having sufficient retained earnings to fund the dividend distributions and provided that at the point of dividend declaration, the Issuer continues to be a tax resident company for Singapore income tax purposes. Notwithstanding the foregoing, the Additional Distribution Amount should still be regarded as interest for the Singapore income tax purposes and taxable at the holders' applicable tax or withholding tax rates and the tax concession/exemption for qualifying debt securities would not be available.

2. Interest and other payments

The disclosure below is on the assumption that the IRAS regards the Securities as "debt securities" for the purposes of the ITA and that distribution payments made under the Securities will be regarded as interest payable on indebtedness and holders thereof may therefore enjoy the tax concessions and exemptions available for qualifying debt securities, provided that the other conditions for the qualifying debt securities scheme are satisfied. If the Securities are not regarded as "debt securities" for the purposes of the ITA and/or any distribution payment made under the Securities is not regarded as interest payable on

indebtedness and/or holders thereof are not eligible for the tax concessions under the qualifying debt securities scheme, the tax treatment to holders may differ. Investors and holders of the Securities should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of the Securities.

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

- (a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or
- (b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17 per cent. The applicable rate for non-resident individuals is 22 per cent. with effect from Year of Assessment 2017. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15 per cent. The rate of 15 per cent. may be reduced by applicable tax treaties.

Certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

- (a) interest from debt securities derived on or after 1 January 2004;
- (b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and
- (c) prepayment fee, redemption premium or break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession in Singapore.

References to “break cost”, “prepayment fee” and “redemption premium” in this Singapore tax disclosure have the same meaning as defined in the ITA.

The terms “break cost”, “prepayment fee” and “redemption premium” are defined in the ITA as follows:

- (a) “break cost” means, in relation to debt securities, qualifying debt securities or qualifying project debt securities, any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;
- (b) “prepayment fee” means, in relation to debt securities, qualifying debt securities or qualifying project debt securities, any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities; and
- (c) “redemption premium” means, in relation to debt securities, qualifying debt securities or qualifying project debt securities, any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

As the issue of the Securities is solely lead-managed by DBS Bank, which is a Financial Sector Incentive (Standard Tier) Company (as defined in the ITA), the Securities issued as debt securities during the period from the date of this Offer Information Statement to 31 December 2018 would be, pursuant to the ITA and the MAS Circular FSD Cir 02/2013 entitled “Extension and Refinement of Tax Concessions for Promoting the Debt Market” issued by the Authority on 28 June 2013 (the “**MAS Circular**”), “qualifying debt securities” for the purposes of the ITA, to which the following treatments shall apply:

- (a) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the Comptroller of Income Tax in Singapore (the “**Comptroller**”) may direct, of a return on debt securities for the Securities within such period as the Comptroller may specify and such other particulars in connection with the Securities as the Comptroller may require to the Authority and the inclusion by the Issuer in all offering documents relating to the Securities of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Securities is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Securities using funds from that person’s operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the “**Specified Income**”) from the Securities paid by the Issuer and derived by a holder who is not resident in Singapore and who (i) does not have any permanent establishment in Singapore or (ii) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Securities are not obtained from such operation in Singapore, are exempt from Singapore tax;
- (b) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the Comptroller may direct, of a return on debt securities for the Securities within such period as the Comptroller may specify and such other particulars in connection with the Securities as the Comptroller may require to the Authority), Specified Income from the Securities paid by the Issuer and derived by any company or body of persons (as defined in the ITA) in Singapore is generally subject to tax at a concessionary rate of 10 per cent.; and

(c) subject to:

- (i) the Issuer including in all offering documents relating to the Securities a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Specified Income) derived from the Securities is not exempt from tax shall include such income in a return of income made under the ITA; and
- (ii) the Issuer, or such other person as the Comptroller may direct, furnishing to the Authority a return on debt securities for the Securities within such period as the Comptroller may specify and such other particulars in connection with the Securities as the Comptroller may require,

payments of Specified Income derived from the Securities are not subject to withholding of tax by the Issuer.

However, notwithstanding the foregoing:

- (a) if during the primary launch of the Securities, the Securities are issued to fewer than four (4) persons and 50 per cent. or more of the issue of the Securities is held beneficially or funded, directly or indirectly, by a related party or related parties of the Issuer, the Securities would not qualify as “qualifying debt securities”; and
- (b) even though the Securities are “qualifying debt securities”, if, at any time during the tenure of the Securities, 50 per cent. or more of the issue of the Securities which are outstanding at any time during the life of their issue is held beneficially or funded, directly or indirectly, by any related party(ies) of the Issuer, Specified Income derived from the Securities held by:
 - (i) any related party of the Issuer; or
 - (ii) any other person who acquires the Securities with funds obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term “related party”, in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

Notwithstanding that the Issuer is permitted to make payments of Specified Income in respect of the Securities without deduction or withholding for tax under Section 45 or Section 45A of the ITA, any person whose Specified Income (whether it is interest, discount income, prepayment fee, redemption premium or break cost) derived from the Securities is not exempt from tax is required to include such income in a return of income made under the ITA.

Under the Qualifying Debt Securities Plus Scheme (“**QDS Plus Scheme**”), subject to certain conditions having been fulfilled (including the furnishing by the Issuer or such other person as the Comptroller may direct, of a return on debt securities in respect of the qualifying debt securities within such period as the Comptroller may specify and such other particulars in connection with the qualifying debt securities as the Comptroller may require to the Authority), income tax exemption is granted on Specified Income derived by any investor from qualifying debt securities (excluding Singapore Government Securities) which:

- (a) are issued during the period from 16 February 2008 to 31 December 2018;
- (b) have an original maturity date of not less than 10 years;

- (c) either –
 - (i) if they are issued before 28 June 2013, cannot be redeemed, called, exchanged or converted within 10 years from the date of their issue; or
 - (ii) if they are issued on or after 28 June 2013, cannot have their tenure shortened to less than 10 years from the date of their issue, except under such circumstances as may be prescribed by regulations; and
- (d) cannot be re-opened with a resulting tenure of less than 10 years to the original maturity date.

The MAS Circular provides details in respect of the refinement of the QDS Plus Scheme to allow debt securities with certain standard early termination clauses to qualify for the QDS Plus Scheme at the point of issuance. Examples of standard early termination clauses include clauses which provide for early termination due to a taxation event, default event, change of control event, change of shareholding event or change in listing status of an issuer. Subsequently, should the debt securities be redeemed prematurely due to standard early termination clauses (i.e. before the 10th year), the income tax exemption granted to income exempt under the QDS Plus Scheme prior to redemption will not be clawed back. Instead, the QDS Plus status of the debt securities will be revoked prospectively for outstanding debt securities, if any. The outstanding debt securities may still enjoy tax benefits under the qualifying debt securities scheme if the other conditions for qualifying debt securities continue to be met. Debt securities with embedded options with economic value (such as call, put, conversion or exchange options which can be triggered at specified prices or dates and are built into the bond's pricing at the onset) which can be exercised within 10 years from the date of issuance will continue to be excluded from the QDS Plus Scheme. This refinement of the QDS Plus Scheme will take effect for debt securities that are issued on or after 28 June 2013.

However, even if the Securities are “qualifying debt securities” which qualify under the QDS Plus Scheme, if, at any time during the tenure the Securities, 50 per cent. or more of such Securities which are outstanding at any time during the life of their issue is held beneficially or funded, directly or indirectly, by any related party(ies) of the Issuer, Specified Income from the Securities derived by:

- (a) any related party of the Issuer; or
- (b) any other person where the funds used by such person to acquire the Securities are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption under the QDS Plus Scheme as described above.

3. Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Securities will not be taxable in Singapore. However, any gains derived by any person from the sale of the Securities which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Securityholders who adopt or are adopting Singapore Financial Reporting Standard 39 – Financial Instruments: Recognition and Measurement (“**FRS 39**”), may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature

of capital) on the Securities, irrespective of disposal, in accordance with FRS 39. Please see the sub-section immediately below on “*Adoption of FRS 39 treatment for Singapore income tax purposes*”.

4. Adoption of FRS 39 treatment for Singapore income tax purposes

The IRAS has issued a circular entitled “Income Tax Implications Arising from the Adoption of FRS 39 – Financial Instruments: Recognition & Measurement” (the “**FRS 39 Circular**”). Legislative amendments to give effect to the tax treatment set out in the FRS 39 Circular have been enacted in Section 34A of the ITA.

The FRS 39 Circular and Section 34A of the ITA generally apply, subject to certain “opt-out” provisions, to taxpayers who are required to comply with FRS 39 for financial reporting purposes.

Holders of the Securities who may be subject to the tax treatment under the FRS 39 Circular and Section 34A of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Securities.

5. Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

TERMS AND CONDITIONS OF THE SECURITIES

The following is the text of the terms and conditions which, subject to completion and amendment, will be endorsed on the reverse of each Security in definitive form (if issued):

The S\$[to insert final principal amount] 6.00 Per Cent. subordinated perpetual capital securities (the “**Securities**”) of Hyflux Ltd (the “**Issuer**”) are constituted by a Trust Deed (the “**Trust Deed**”) dated 27 May 2016 made between (1) the Issuer and (2) Perpetual (Asia) Limited (the “**Trustee**”, which expression shall wherever the context so admits include such company and all other persons which are for the time being the Trustee or Trustees under the Trust Deed), as trustee for the holders of the Securities (the “**Securityholders**”). The issue of the Securities was authorised by resolutions of the Board of Directors of the Issuer passed on 12 May 2016.

Certain provisions of these terms and conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Securities in definitive form and which also includes provisions which are not summarised herein. The Securities are issued with the benefit of a Deed of Covenant (the “**Deed of Covenant**”) dated 27 May 2016 executed by the Issuer relating thereto. Payments in respect of the Securities will be made pursuant to an Agency Agreement (the “**Agency Agreement**”) dated 27 May 2016 made between (1) the Issuer, (2) DBS Bank Ltd., as paying agent (the “**Paying Agent**”, which expression shall wherever the context so admits include any successor paying agent under the Agency Agreement), (3) DBS Bank Ltd., as registrar (the “**Registrar**”, which expression shall wherever the context so admits include any successor registrar under the Agency Agreement), (4) DBS Bank Ltd., as calculation agent (the “**Calculation Agent**”, which expression shall wherever the context so admits include any successor calculation agent under the Agency Agreement) and (5) the Trustee.

Copies of the Trust Deed, the Agency Agreement and the Deed of Covenant are available for inspection at the principal office of the Trustee for the time being and at the specified office of the Paying Agent for the time being. The Securityholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Deed of Covenant and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

1. Form, Denomination, Title and Transfer

(a) Form and Denomination

The Securities are issued in registered form in denominations of S\$1,000 each or integral multiples thereof (the “**Authorised Denomination**”). The Securities are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 1(d), each Certificate shall be numbered serially and represent the entire holding of the Securities by the same holder.

(b) Title

- (i) Title to the Securities shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”).
- (ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Security shall be deemed to be and may be treated as the absolute owner of such Security, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Security shall be overdue and notwithstanding any notice of ownership, theft, loss or forgery thereof or any writing thereon made by anyone, and no person shall be liable for so treating the holder.

- (iii) For so long as any of the Securities is represented by the Global Certificate (as defined in the Trust Deed) and the Global Certificate is registered in the name of the Depository (as defined in the Trust Deed), each person who is for the time being shown in the records of the Depository as the holder of a particular principal amount of such Securities (in which regard any certificate or other document issued by the Depository as to the principal amount of such Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest or proven error) shall be treated by the Issuer, the Trustee, the Paying Agent, the Calculation Agent and the Registrar as the holder of such principal amount of such Securities standing to the credit of its securities account for all purposes other than with respect to the payment of principal, premium, interest, distribution, redemption, purchase and/or any other amounts which accrue or are otherwise payable by the Issuer through the Depository on such principal amount of such Securities, for which purpose the person whose name is shown on the Register shall be treated by the Issuer, the Trustee, the Paying Agent, the Calculation Agent and the Registrar as the holder of such principal amount of such Securities in accordance with and subject to the terms of the Global Certificate (and the expressions “**Securityholder**”, “**holder of Securities**” and “**holder**” and related expressions shall be construed accordingly). Securities which are represented by the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of the Depository. For so long as any of the Securities is represented by the Global Certificate and the Global Certificate is held by the Depository, the payment of principal, distribution and any other amounts in respect of the Securities shall be made by the Depository to the persons shown in the records of the Depository as the holder of Securities in accordance with the rules and procedures for the time being of the Depository and the record date for the purposes of determining entitlements to any payment of principal, distribution and any other amounts in respect of the Securities shall, unless otherwise specified by the Issuer, be the date falling five business days prior to the relevant payment date (or such other date as may be prescribed by the Depository from time to time).
- (iv) In these Conditions, “**Securityholder**” or “**holder of any Security**” or “**holder**” means the person in whose name a Security is registered (or, in the case of joint holders, the first named thereof).
- (v) Words and expressions defined in the Trust Deed shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated.

(c) Transfers

Subject to Conditions 1(f) and 1(g) below, one or more Securities may be transferred in whole or in part upon the surrender (at the specified office of the Registrar) of the Certificate representing such Securities to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar may require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer. In the case of a transfer of part only of a holding of Securities represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Securities and entries on the Register will be made subject to the detailed regulations concerning transfers of Securities scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be made available by the Registrar to any Securityholder upon request.

(d) Exercise of Options or Purchase in Respect of Securities

In the case of an exercise of an Issuer's option in respect of, or purchase of, a holding of Securities represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not purchased. In the case of an exercise of an option resulting in Securities of the same holding having different terms, separate Certificates shall be issued in respect of those Securities of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar. In the case of a transfer of Securities to a person who is already a holder of Securities, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(e) Delivery of New Certificates

Each new Certificate to be issued pursuant to Condition 1(c) or Condition 1(d) shall be available for delivery within five business days of receipt of the form of transfer and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar to whom delivery or surrender of such form of transfer or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 1(e) only, "**business day**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which banks are open for business in the place of the specified office of the Registrar.

(f) Transfers Free of Charge

Transfers of Securities and Certificates on registration, transfer or exercise of an option shall be effected without charge by or on behalf of the Issuer or the Registrar, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or prefunding as the Registrar may require) in respect of tax or charges.

(g) Closed Periods

No Securityholder may require the transfer of a Security to be registered (i) during the period of 15 days prior to any date on which the Securities may be called for redemption by the Issuer at its option pursuant to Condition 5(b), (ii) after any such Security has been called for redemption or (iii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 6(a)).

2. Status

(a) Status of the Securities

The Securities constitute direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with any Parity Obligations of the Issuer. The rights and claims of the Securityholders in respect of the Securities are subordinated as provided in Condition 2(b).

In these Conditions, “**Parity Obligation**” means any instrument or security (including without limitation any preference shares) issued, entered into or guaranteed by the Issuer (i) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the Securities and includes (1) the S\$400,000,000 6.0 per cent. cumulative non-convertible non-voting perpetual Class A preference shares issued by the Issuer, (2) the S\$300,000,000 5.75 per cent. perpetual capital securities issued by the Issuer and (3) the S\$175,000,000 4.80 per cent. perpetual capital securities issued by the Issuer and (ii) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer and/or, in the case of an instrument or security guaranteed by the Issuer, the issuer thereof.

(b) Ranking of claims on Winding-up

Subject to the insolvency laws of Singapore and other applicable laws, in the event of the Winding-up of the Issuer, the rights of the Securityholders to payment of principal of and distribution on the Securities are expressly subordinated and subject in right of payment to the prior payment in full of all claims of senior creditors of the Issuer but at least *pari passu* with all other subordinated obligations of the Issuer that are not expressed by their terms to rank junior to the claims of the Securityholders and in priority to (i) the other subordinated obligations of the Issuer that are expressed by their terms to rank junior to the claims of the Securityholders and (ii) the claims of shareholders of the Issuer.

In these Conditions, “**Winding-up**” means bankruptcy, winding-up, liquidation or similar proceedings.

(c) No set-off

Subject to applicable law, no holder of Securities may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Securities, and each holder of Securities shall, by virtue of his holding of any Securities, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer. Notwithstanding the preceding sentence, if any of the amounts owing to any holder of Securities by the Issuer in respect of, or arising under or in connection with the Securities is discharged by set-off, such holder of Securities shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its Winding-up, the liquidator or, as appropriate, administrator of the Issuer) and, until such time as payment is made, shall hold such amount in trust for the Issuer (or the liquidator or, as appropriate, administrator of the Issuer) and accordingly any such discharge shall be deemed not to have taken place.

3. Distributions and other Calculations

(a) Distribution Rate and Accrual

Each Security confers a right to receive distributions on its outstanding principal amount from 27 May 2016 (the “**Issue Date**”) at the applicable Distribution Rate in accordance with this Condition 3. Distributions shall be payable semi-annually in arrear on 27 May and 27 November of each year (each, a “**Distribution Payment Date**”), with the first payment of distribution being made on 27 November 2016 (the “**First Distribution Payment Date**”) in respect of the period from, and including, the Issue Date to, but excluding the First Distribution Payment Date.

Distribution will cease to accrue on each Security from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the full amount is improperly withheld or refused, in which event distribution at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 3(a) to the Relevant Date (as defined in Condition 7).

(b) Distribution Rate

The rate of distribution (the “**Distribution Rate**”) applicable to each Security shall be:

- (i) in respect of each Distribution Payment Date in the period from, and including, the Issue Date to, but excluding, the Step-Up Date, 6.00 per cent. per annum; and
- (ii) in respect of each Distribution Payment Date in the period from, and including, the Step-Up Date and each Reset Date falling thereafter to, but excluding, the immediately following Reset Date, the Reset Distribution Rate.

For the purpose of these Conditions:

- (1) “**Initial Spread**” means 4.20 per cent. per annum;
- (2) “**Reset Date**” means the Step-Up Date and each successive date falling every four years after the Step-Up Date;
- (3) “**Reset Distribution Rate**” means the Swap Offer Rate with respect to the relevant Reset Date plus the Initial Spread plus the Step-Up Margin;
- (4) “**Step-Up Date**” means the Distribution Payment Date falling in 27 May 2020;
- (5) “**Step-Up Margin**” means two per cent. per annum; and
- (6) “**Swap Offer Rate**” means:
 - (A) the rate per annum (expressed as a percentage) notified by the Calculation Agent to the Issuer equal to the swap offer rate published by a recognised industry body or a relevant authority (in each case, following consultation with DBS Bank Ltd., as Sole Lead Manager and Bookrunner, and the Issuer) prescribed by such recognised industry body or relevant authority for a period of four years (the “**Reset Period**”) on the second business day prior to the relevant Reset Date (the “**Reset Determination Date**”);
 - (B) if on the Reset Determination Date, there is no swap offer rate published by such recognised industry body or relevant authority, the Calculation Agent will determine the swap offer rate for such Reset Period (determined by the Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the rates (excluding the highest and the lowest rates) which appears on Page TPIS on the monitor of the Bloomberg Agency under the caption “Tullett Prebon → Rates → Interest Rate Swaps → AsiaPac → SGD” and the column headed “Ask” (or if the Calculation Agent determines that such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Calculation Agent after taking into account the industry practice at that relevant time and the recommendations by such recognised industry body or relevant authority) at the close of business on each of the five consecutive business days prior to and ending on the Reset Determination Date);
 - (C) if on the Reset Determination Date, rates are not available on Page TPIS on the monitor of the Bloomberg Agency under the caption “Tullett Prebon →

Rates → Interest Rate Swaps → AsiaPac → SGD” and the column headed “Ask” (or if the Calculation Agent determines that such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Calculation Agent after taking into account the industry practice at that relevant time and the recommendations by such recognised industry body or relevant authority) at the close of business on one or more of the said five consecutive business days, the swap offer rate will be the rate per annum notified by the Calculation Agent to the Issuer equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the rates which are available in such five-consecutive-business-day period or, if only one rate is available in such five-consecutive-business-day period, such rate; and

- (D) if on the Reset Determination Date, no rate is available on Page TPIS on the monitor of the Bloomberg Agency under the caption “Tullett Prebon → Rates → Interest Rate Swaps → AsiaPac → SGD” and the column headed “Ask” (or if the Calculation Agent determines that such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Calculation Agent after taking into account the industry practice at that relevant time and the recommendations by such recognised industry body or relevant authority) at the close of business in such five-consecutive-business-day period, the Calculation Agent will request the principal Singapore offices of the Reference Banks to provide the Calculation Agent with quotation(s) of their swap offer rates for a period equivalent to the duration of the Reset Period at the close of business on the Reset Determination Date. The swap offer rate for such Reset Period shall be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of such offered quotations, as determined by the Calculation Agent or, if only one of the Reference Banks provides the Calculation Agent with such quotation, such rate quoted by that Reference Bank.

(c) Calculation of Reset Distribution Rate

The Calculation Agent will, on the Reset Determination Date determine the applicable Reset Distribution Rate payable in respect of each Security. The determination of any rate, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(d) Publication of Relevant Reset Distribution Rate and Distribution Rate

The Calculation Agent will cause the applicable Reset Distribution Rate to be notified to the Paying Agent, the Trustee, the Registrar and the Issuer as soon as possible after its determination but in no event later than the fourth business day thereafter. The Calculation Agent shall also cause notice of the then applicable Reset Distribution Rate to be notified to the Securityholders in accordance with Condition 14 as soon as possible after determination thereof.

(e) Determination or Calculation by Trustee

If the Calculation Agent does not at any material time determine or calculate the applicable Reset Distribution Rate the Trustee shall do so. In doing so, the Trustee shall apply the foregoing provisions of this Condition 3, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(f) Calculations

In the case of a Security, distribution in respect of a period of less than one year will be calculated on the Day Count Fraction (as defined below). The amount of distribution payable per Authorised Denomination for any Distribution Period (as defined below) in respect of any Security shall be calculated by multiplying the product of the Distribution Rate and the Authorised Denomination, by the Day Count Fraction and rounding the resultant figure to the nearest cent.

For the purposes of this Condition 3(f),

- (i) **“Day Count Fraction”** means in respect of any period a distribution is required to be paid, the actual number of days in the relevant period divided by 365; and
- (ii) **“Distribution Period”** means the period beginning on (and including) the Issue Date and ending on (but excluding) the First Distribution Payment Date and each successive period beginning on (and including) a Distribution Payment Date and ending on (but excluding) the next succeeding Distribution Payment Date.

(g) Calculation Agent and Reference Banks

The Issuer will procure that, so long as any Security remains outstanding, there shall at all times be three Reference Banks and there shall at all times be a Calculation Agent. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to calculate the Reset Distribution Rate, the Issuer will appoint another bank with an office in Singapore to act as such in its place. The Calculation Agent may not resign from its duties without a successor having been appointed as aforesaid.

For the purposes of this Condition 3(g), **“Reference Banks”** means DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited.

4. Distribution Discretion

(a) Optional Payment

The Issuer may, at its sole discretion, elect not to pay a distribution (or to pay only part of a distribution) which is scheduled to be paid on a Distribution Payment Date by giving notice (an **“Optional Payment Notice”**) to the Trustee, the Paying Agent and the Securityholders (in accordance with Condition 14) not more than 20 nor less than five business days prior to a scheduled Distribution Payment Date.

The Issuer may not elect to defer any distribution if during the six-month period ending on the day before that scheduled Distribution Payment Date (**“Reference Period”**), either or both of the following have occurred:

- (i) a dividend, distribution or other payment has been declared or paid on or in respect of any of its Junior Obligations or (except on a *pro rata* basis with the Securities) any of the Issuer's Parity Obligations; or
- (ii) any of the Issuer's Junior Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration or (except on a *pro rata* basis with the Securities), any of the Issuer's Parity Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the Group (as defined in the Trust Deed) or (2) as a result of the exchange or conversion of the Issuer's Parity Obligations for the Issuer's Junior Obligations (a "**Compulsory Distribution Payment Event**").

In these Conditions, "**Junior Obligation**" means any ordinary shares of the Issuer and any class of the Issuer's share capital and any other instruments or securities (including without limitation any preference shares, preferred units or subordinated perpetual securities) issued, entered into or guaranteed by the Issuer that ranks or is expressed to rank, whether by its terms or by operation of law, junior to the Securities.

Each Optional Payment Notice shall be accompanied, in the case of the notice to the Trustee and the Paying Agent, by a certificate signed by a duly authorised officer of the Issuer confirming that no Compulsory Distribution Payment Event has occurred during the relevant Reference Period. Any such certificate shall be conclusive evidence that no Compulsory Distribution Payment Event has occurred during the relevant Reference Period and the Trustee and the Paying Agent shall be entitled to rely without any obligation to verify the same and without liability to any Securityholder or any other person on any Optional Payment Notice or any certificate as aforementioned. Each Optional Payment Notice shall be conclusive and binding on the Securityholders.

(b) No Obligation to Pay

Subject to Condition 4(c) and Condition 4(d), the Issuer shall have no obligation to pay any distribution on any Distribution Payment Date and any failure to pay a distribution in whole or in part shall not constitute a default of the Issuer in respect of the Securities.

(c) Cumulative Deferral

Any distribution deferred pursuant to this Condition 4(c) shall constitute "**Arrears of Distribution**". The Issuer may, at its sole discretion, elect to (in the circumstances set out in Condition 4(a)) further defer any Arrears of Distribution by complying with the foregoing notice requirement applicable to any deferral of an accrued distribution. The Issuer is not subject to any limit as to the number of times distributions and Arrears of Distribution can or shall be deferred pursuant to this Condition 4 except that this Condition 4(c) shall be complied with until all outstanding Arrears of Distribution have been paid in full.

Each amount of Arrears of Distribution shall bear interest as if it constituted the principal of the Securities at the Distribution Rate and the amount of such interest (the "**Additional Distribution Amount**") with respect to Arrears of Distribution shall be due and payable pursuant to this Condition 4 and shall be calculated by applying the applicable Distribution Rate to the amount of the Arrears of Distribution and otherwise *mutatis mutandis* as provided in the foregoing provisions of this Condition 4. The Additional Distribution Amount accrued up

to any Distribution Payment Date shall be added, for the purpose of calculating the Additional Distribution Amount accruing thereafter, to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

(d) Restrictions in the case of Deferral

If on any Distribution Payment Date, payments of all distribution scheduled to be made on such date are not made in full by reason of this Condition 4, the Issuer shall not and shall procure that none of its subsidiaries shall:

- (i) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on, any of its Junior Obligations or (except on a *pro rata* basis) any of its Parity Obligations; or
- (ii) redeem, reduce, cancel, buy-back or acquire for any consideration, and will procure that no redemption, reduction, cancellation, buy-back or acquisition for any consideration is made in respect of, any of its Junior Obligations or (except on a *pro rata* basis) any of its Parity Obligations,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the Group, (2) as a result of the exchange or conversion of the Issuer's Parity Obligations for the Issuer's Junior Obligations or (3) unless and until (A) the Issuer has satisfied in full all outstanding Arrears of Distribution or (B) the Issuer is permitted to do so by an Extraordinary Resolution (as defined in the Trust Deed) of the Securityholders.

(e) Satisfaction of Arrears of Distribution

The Issuer:

- (i) may, at its sole discretion, satisfy any Arrears of Distribution (in whole or in part) at any time by giving notice of such election to the Trustee, the Paying Agent and the Securityholders (in accordance with Condition 14) not more than 20 nor less than five business days prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Arrears of Distribution on the payment date specified in such notice); and
- (ii) in any event shall satisfy any outstanding Arrears of Distribution (in whole but not in part) on the earliest of:
 - (1) the date of redemption of the Securities in accordance with the redemption events set out in Condition 5 (as applicable);
 - (2) the next Distribution Payment Date following the occurrence of a breach of Condition 4(d) or following the occurrence of a Compulsory Distribution Payment Event; and
 - (3) the date such amount becomes due under Condition 9 or on a Winding-up of the Issuer.

Any partial payment of Arrears of Distribution by the Issuer shall be shared by the Securityholders of all outstanding Securities on a *pro rata* basis.

(f) No Default

Notwithstanding any other provision in these Conditions and the Trust Deed, the non-payment of any distribution payment in accordance with this Condition 4 shall not constitute a default for any purpose (including, without limitation, pursuant to Condition 9) on the part of the Issuer under the Securities.

5. Redemption and Purchase

(a) No Fixed Redemption Date

The Securities are perpetual capital securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Condition 2 and without prejudice to Condition 9) only have the right (but not the obligation) to redeem or purchase them in accordance with the following provisions of this Condition 5.

(b) Redemption at the Option of the Issuer

The Issuer may, on giving not less than 30 nor more than 60 days' irrevocable notice to the Securityholders, redeem all (and not some only) of the Securities on 27 May 2020 or any Distribution Payment Date thereafter. Any such redemption of Securities shall be at their principal amount, together with distribution accrued (including any Arrears of Distribution and any Additional Distribution Amount) to (but excluding) the date fixed for redemption.

All Securities in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 5(b).

(c) Redemption for Taxation Reasons

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days' notice to the Securityholders (which notice shall be irrevocable), at their principal amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), if:

- (i) the Issuer receives a ruling from the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that:
 - (A) the Securities will not be regarded as "debt securities" for the purposes of Section 43N(4) of the Income Tax Act, Chapter 134 of Singapore ("ITA") and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations; or
 - (B) the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as interest payable by the Issuer for the purposes of the withholding tax exemption on interest for "qualifying debt securities" under the ITA; or
- (ii) (A) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date; and

- (B) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Securities then due.

Prior to the publication of any notice of redemption pursuant to this Condition 5(c), the Issuer shall deliver to the Trustee and the Paying Agent (i) a certificate signed by a duly authorised officer of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and (ii) an opinion of independent legal, tax or any other professional advisers of recognised standing to the effect that the Issuer has or is likely to become obliged to pay such additional amounts as a result of such change or amendment or (in the case of a notice of redemption pursuant to Condition 5(c)(i)) the ruling by the Comptroller of Income Tax in Singapore (or other relevant authority).

(d) Redemption for Accounting Reasons

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days' notice to the Securityholders (which notice shall be irrevocable), at their principal amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, as a result of any changes or amendments to Singapore Financial Reporting Standards issued by the Singapore Accounting Standards Council, as amended from time to time (the "SFRS") or any other accounting standards that may replace SFRS for the purposes of the consolidated financial statements of the Issuer (the "**Relevant Accounting Standard**"), the Securities will not or will no longer be recorded as "**equity**" of the Issuer pursuant to the Relevant Accounting Standard.

Prior to the publication of any notice of redemption pursuant to this Condition 5(d), the Issuer shall deliver to the Trustee and the Paying Agent:

- (i) a certificate, signed by a duly authorised officer of the Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances; and
- (ii) an opinion of the Issuer's independent auditors stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to the Relevant Accounting Standard has taken effect or is due to take effect.

Upon the expiry of any such notice as is referred to in this Condition 5(d), the Issuer shall be bound to redeem the Securities in accordance with this Condition 5(d).

(e) Redemption for Tax Deductibility

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days' notice to the Securityholders (which notice shall be irrevocable), at their principal amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), if:

- (i) the Issuer satisfies the Trustee immediately before giving such notice that, as a result of:

- (A) any amendment to, or change in, the laws (or any rules or regulations thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date;
- (B) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date; or
- (C) any generally applicable official interpretation or pronouncement which is issued or announced on or after the Issue Date that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position which is announced before the Issue Date,

payments by the Issuer are no longer, or would in the Distribution Period immediately following that Distribution Payment Date no longer be, fully deductible by the Issuer for Singapore income tax purposes; or

- (ii) the Issuer receives a ruling from the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as sums “payable by way of interest upon any money borrowed” for the purpose of Section 14(1)(a) of the ITA.

Prior to the publication of any notice of redemption pursuant to this Condition 5(e), the Issuer shall deliver or procure that there is delivered to the Trustee and the Paying Agent:

- (I) a certificate, signed by a duly authorised officer of the Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances; and
- (II) an opinion of the Issuer’s independent tax or legal adviser of recognised standing stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to the tax regime has taken effect or is due to take effect or (in the case of a notice of redemption pursuant to Condition 5(e)(ii)) the ruling from the Comptroller of Income Tax in Singapore (or other relevant authority).

Upon the expiry of any such notice as is referred to in this Condition 5(e), the Issuer shall be bound to redeem the Securities in accordance with this Condition 5(e).

(f) Redemption in the case of Minimal Outstanding Amount

The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days’ notice to the Securityholders (which notice shall be irrevocable), at their principal amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, immediately before giving such notice, the aggregate principal amount of the Securities outstanding is less than 10 per cent. of the aggregate principal amount originally issued.

Upon the expiry of any such notice as is referred to in this Condition 5(f), the Issuer shall be bound to redeem all the Securities in accordance with this Condition 5(f).

(g) Purchases

The Issuer and/or any of its related corporations may at any time purchase Securities at any price in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives.

Securities purchased by the Issuer or any of its related corporations may be surrendered by the purchaser through the Issuer to the Registrar for cancellation or may at the option of the Issuer or the relevant related corporation be held or resold.

For the purposes of these Conditions, “**directive**” includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislative, minister, ministry, official public or statutory corporation, self-regulating organisation, or stock exchange.

(h) Cancellation

All Securities purchased by or on behalf of the Issuer and/or any of its related corporations may be surrendered for cancellation by surrendering the Certificate representing such Securities to the Registrar and, in each case, if so surrendered, shall, together with all Securities redeemed by the Issuer, be cancelled forthwith. Any Certificates so surrendered for cancellation may not be reissued or resold.

6. Payments

(a) Principal and Distribution

- (i) Payments of principal shall be made (subject to surrender of the relevant Certificates at the specified office of the Registrar if no further payment falls to be made in respect of the Securities represented by such Certificates) in the manner provided in Condition 6(a)(ii).
- (ii) Distribution on each Security shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the “**Record Date**”). Payments of distribution on each Security shall be made by a cheque drawn in the currency in which payment is due on and mailed to the holder (or to the first named of joint holders) of such Security at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar before the Record Date, such payment of distribution may be made by transfer to an account maintained by the holder in that currency with a bank in Singapore.

(b) Payments subject to law etc.

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Securityholders in respect of such payments.

(c) Paying Agent

The names of the initial Paying Agent, the Calculation Agent and the Registrar and their respective registered offices are set out at the end of these Conditions. The Issuer reserves the right at any time to vary or terminate the appointment of the Paying Agent, the Calculation Agent or the Registrar and to appoint additional or other Paying Agents, provided that it will at all times maintain a Paying Agent, the Calculation Agent and a Registrar, each having a

specified office in Singapore. Notice of any such change of appointment or any change of any specified office will be given by the Issuer to the Securityholders in accordance with Condition 14 within the period specified in the Agency Agreement.

The Agency Agreement may be amended by the Issuer, the Paying Agent, the Calculation Agent, the Registrar and the Trustee, without the consent of any holder, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein, or where such amendment is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by the Depository or in any manner which the Issuer, the Paying Agent, the Calculation Agent, the Registrar and the Trustee may mutually deem necessary or desirable and which does not, in the reasonable opinion of the Issuer, the Paying Agent, the Calculation Agent, the Registrar and the Trustee, adversely affect the interests of the holders.

(d) Non-business days

If any date for payment in respect of any Security is not a business day, the holder shall not be entitled to payment until the next following business day nor to any further distribution or other sum in respect of such postponed payment. In these Conditions, “**business day**” means a day (other than Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore.

7. Taxation

All payments in respect of the Securities by or on behalf of the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Securityholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no such additional amounts shall be payable in respect of any Certificate presented for payment:

- (a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of his being connected with Singapore otherwise than by reason only of the holding of such Security or the receipt of any sums due in respect of such Security (including, without limitation, the holder being a resident of, or a permanent establishment in, Singapore); or
- (b) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days.

As used in these Conditions, “**Relevant Date**” in respect of any Security means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Securityholders in accordance with Condition 14 that, upon further presentation of the Certificate representing such Security being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon presentation, and references to “**principal**” shall be deemed to include any premium payable in respect of the Securities, all principal amounts and all other amounts in the nature of principal payable pursuant to Condition 5, “**distribution**” shall be deemed to include all amounts payable

pursuant to Condition 4 and any reference to “**principal**” and/or “**premium**” and/or “**distribution**” shall be deemed to include any additional amounts which may be payable under these Conditions.

8. Prescription

Claims against the Issuer for payment in respect of the Securities shall be prescribed and become void unless made within three years from the appropriate Relevant Date for payment.

9. Non-payment

(a) Non-payment when Due

Notwithstanding any of the provisions below in this Condition 9, the right to institute proceedings for Winding-up is limited to circumstances where payment has become due. In the case of any distribution, such distribution will not be due if the Issuer has elected not to pay that distribution in accordance with Condition 4. In addition, nothing in this Condition 9, including any restriction on commencing proceedings, shall in any way restrict or limit the rights of the Trustee or any of its directors, officers, employees or agents to claim from or to otherwise take any action against the Issuer in respect of any costs, charges, fees, expenses or liabilities incurred by such party pursuant to or in connection with the Securities or the Trust Deed.

(b) Proceedings for Winding-up

If (i) a final and effective order is made or an effective resolution is passed for the Winding-up of the Issuer or (ii) the Issuer fails to make payment in respect of the Securities on the date on which such payment is due and such failure continues for a period of seven business days after the due date (together, the “**Enforcement Events**”), the Issuer shall be deemed to be in default under the Trust Deed and the Securities and the Trustee may, subject to the provisions of Condition 9(d), institute proceedings for the Winding-up of the Issuer and/or prove in the Winding-up of the Issuer and/or claim in the liquidation of the Issuer for such payment.

(c) Enforcement

Without prejudice to Condition 9(b) but subject to the provisions of Condition 9(d), the Trustee may without further notice to the Issuer institute such proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Securities or the Trust Deed (other than any payment obligation of the Issuer under or arising from the Securities, including, without limitation, payment of any principal or premium or satisfaction of any distributions (including any damages awarded for breach of any obligations)), and in no event shall the Issuer, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it.

(d) Entitlement of Trustee

The Trustee shall not and shall not be obliged to take any of the actions referred to in Condition 9(b) or Condition 9(c) against the Issuer to enforce the terms of the Trust Deed or the Securities unless (i) it shall have been so directed by an Extraordinary Resolution of the Securityholders or so requested in writing by Securityholders holding not less than 25 per cent. in principal amount of the Securities outstanding and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

(e) Right of Securityholders

No Securityholder shall be entitled to proceed directly against the Issuer or to institute proceedings for the Winding-up or claim in the liquidation of the Issuer or to prove in such Winding-up unless the Trustee, having become so bound to proceed or being able to prove in such Winding-up or claim in such liquidation, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing, in which case the Securityholder shall have only such rights against the Issuer as those which the Trustee is entitled to exercise as set out in this Condition 9.

(f) Extent of Securityholders' Remedy

No remedy against the Issuer, other than as referred to in this Condition 9, shall be available to the Trustee or the Securityholders, whether for the recovery of amounts owing in respect of the Trust Deed, the Securities or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Trust Deed or the Securities (as applicable).

10. Meeting of Securityholders and Modifications

The Trust Deed contains provisions for convening meetings of the Securityholders to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Securities (including these Conditions) or any of the provisions of the Trust Deed.

The Trustee or the Issuer at any time may, and the Trustee upon the request in writing by Securityholders holding not less than one-tenth of the principal amount of the Securities for the time being outstanding and after being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses shall, convene a meeting of the Securityholders. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in principal amount of the Securities for the time being outstanding, or at any adjourned meeting two or more persons being or representing Securities whatever the principal amount of the Securities so held or represented, except that, at any meeting, the business of which includes consideration of proposals, *inter alia*, (a) to amend the dates of redemption of the Securities or any date for payment of distribution on the Securities, (b) to reduce or cancel the principal amount of, or any premium payable on redemption, of the Securities, (c) to reduce the rate or rates or amount of distribution in respect of the Securities or to vary the method or basis of calculating the rate or rates or amount of distribution in respect of the Securities, (d) to vary any method of, or basis for, calculating the principal amount of the Securities, (e) to vary the currency or currencies of payment or denomination of the Securities, (f) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, (g) to amend the subordination provisions of the Securities or (h) to modify the provisions concerning the quorum required at any meeting of Securityholders or the majority required to pass the Extraordinary Resolution, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting two or more persons holding or representing not less than 25 per cent., in principal amount of the Securities for the time being outstanding. Any resolution passed at any meeting of Securityholders will be binding on all Securityholders, whether or not they are present at the meeting.

In these Conditions, "**Extraordinary Resolution**" means a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority of at least 75 per cent. of the votes cast.

The Trustee may agree, without the consent of the Securityholders, to (i) any modification of any of the provisions of the Trust Deed or any of the Issue Documents (as defined in the Trust Deed) or the Securities which in the opinion of the Trustee is of a formal, minor or technical nature, is made to correct a manifest or proven error or to comply with mandatory provisions of Singapore law or is required by the Depository and (ii) any other modification (except as mentioned in the Trust Deed or any of the Issue Documents or the Securities), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any of the Issue Documents which is in the opinion of the Trustee not materially prejudicial to the interests of the Securityholders. Any such modification, authorisation or waiver shall be binding on the Securityholders and, if the Trustee so requires, such modification, authorisation or waiver shall be notified to the Securityholders as soon as practicable in accordance with Condition 14.

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, waiver, authorisation or substitution) the Trustee shall have regard to the interests of the Securityholders as a class and shall not have regard to the consequences of such exercise for individual Securityholders.

11. Replacement of Certificates

If a Certificate is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Registrar, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Securityholders in accordance with Condition 14, on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, undertaking, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Certificate is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Certificate) and otherwise as the Issuer may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

12. Further Issues

The Issuer may from time to time without the consent of the Securityholders create and issue further Securities having the same terms and conditions as the Securities in all respects and so that the same shall be consolidated and form a single series with such Securities, and references in these Conditions to “**Securities**” shall be construed accordingly.

13. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trust Deed also contains a provision entitling the Trustee to enter into business transactions with the Issuer or any of its subsidiaries without accounting to the Securityholders or for any profit resulting from such transactions.

Each Securityholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer and the Trustee shall not at any time have any responsibility for the same and each Securityholder shall not rely on the Trustee in respect thereof.

14. Notices

Notices to Securityholders shall be valid if mailed to them at their respective addresses in the Register and shall be deemed to have been given on the fourth weekday (being a day other than a Saturday or Sunday) after the date of mailing. Notwithstanding the foregoing, notices to Securityholders will be valid if published in a daily newspaper of general circulation in Singapore (or, if the holders can be identified, notices to such holders will also be valid if they are given to each of such holders). It is expected that such publication will be made in *The Business Times*. Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper as provided above.

Until such time as any Certificates are issued, there may, so long as the Global Certificate representing the Securities is held in its entirety on behalf of the Depository, be substituted for such publication in such newspapers the delivery of the relevant notice to (subject to the agreement of the Depository) the Depository for communication by it to the Securityholders, except that if the Securities are listed on the Singapore Exchange Securities Trading Limited and the rules of such exchange so require, notice will in any event be published in accordance with the previous paragraph. Any such notice shall be deemed to have been given to the Securityholders on the seventh day after the day on which the said notice was given to the Depository.

Notices to be given by any Securityholder pursuant hereto (including to the Issuer) shall be in writing and given by lodging the same, together with the relative Security or Securities, with the Registrar. Whilst the Securities are represented by a Global Certificate, such notice may be given by any Securityholder to the Registrar through the Depository in such manner as the Registrar and the Depository may approve for this purpose.

Notwithstanding the other provisions of this Condition, in any case where the identity and addresses of all the Securityholders are known to the Issuer, notices to such Securityholders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given two days from the date of despatch to the Securityholders.

15. Governing Law and Jurisdiction

- (a) The Trust Deed and the Securities are governed by, and shall be construed in accordance with, the laws of Singapore.
- (b) The courts of Singapore are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Trust Deed or the Securities and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed or the Securities may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

16. Contracts (Rights of Third Parties) Act

No person shall have any right to enforce any term or condition of the Securities under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.

Paying Agent, Calculation Agent and Registrar

DBS Bank Ltd.
10 Toh Guan Road
#04-11 (Level 4B)
DBS Asia Gateway
Singapore 608838

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

PART I – FRONT COVER

- 1. On the front cover of the offer information statement, provide –**
 - (a) the date of lodgement of the offer information statement;**
 - (b) the following statements:**
 - (i) “This document is important. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax, or other professional adviser.”; and**
 - (ii) “A copy of this offer information statement has been lodged with the Monetary Authority of Singapore (the “Authority”). The Authority assumes no responsibility for the contents of the offer information statement. Lodgement of the offer information statement with the Authority does not imply that the Securities and Futures Act, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the securities being offered for investment.”;**
 - (c) the name of the entity (referred to in this Schedule as the relevant entity) in respect of which the securities are being offered, its place of incorporation or constitution and the date of incorporation or constitution;**
 - (d) a statement to the effect that an application has been or will be made to a securities exchange to list for quotation or quote the securities being offered on that securities exchange, and the name of such securities exchange; and**
 - (e) a statement that no securities shall be allotted or allocated on the basis of the offer information statement later than 6 months after the date of lodgement of the offer information statement.**

The information required by Part I “**Front Cover**” of this Sixteenth Schedule section has been set out on the cover page of this Offer Information Statement.

PART II – IDENTITY OF DIRECTORS, ADVISERS AND AGENTS

Directors

1. Provide the names and addresses of each of the directors or equivalent persons of the relevant entity.

Names of Directors		Addresses
Olivia Lum Ooi Lin	:	Hyflux Innovation Centre 80 Bendemeer Road Singapore 339949
Teo Kiang Kok	:	Hyflux Innovation Centre 80 Bendemeer Road Singapore 339949
Lee Joo Hai	:	Hyflux Innovation Centre 80 Bendemeer Road Singapore 339949
Gay Chee Cheong	:	Hyflux Innovation Centre 80 Bendemeer Road Singapore 339949
Christopher Murugasu	:	Hyflux Innovation Centre 80 Bendemeer Road Singapore 339949
Simon Tay	:	Hyflux Innovation Centre 80 Bendemeer Road Singapore 339949
Lau Wing Tat	:	Hyflux Innovation Centre 80 Bendemeer Road Singapore 339949
Gary Kee Eng Kwee	:	Hyflux Innovation Centre 80 Bendemeer Road Singapore 339949

Advisers

2. Provide the names and addresses of –

- (a) the issue manager to the offer, if any;

Sole Lead Manager and Bookrunner	:	DBS Bank Ltd. 12 Marina Boulevard, Level 42 Marina Bay Financial Centre Tower 3 Singapore 018982
-------------------------------------	---	---

- (b) the underwriter to the offer, if any; and

Not applicable. The Offer is not underwritten.

(c) the legal adviser for or in relation to the offer, if any.

Legal Adviser to the Issuer as to Singapore law	:	WongPartnership LLP 12 Marina Boulevard Level 28 Marina Bay Financial Centre Tower 3 Singapore 018982
Legal Adviser to the Sole Lead Manager and Bookrunner, the Agents and the Trustee as to Singapore law	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989

Registrars and Agents

3. Provide the names and addresses of the relevant entity's registrars, transfer agents and receiving bankers for the securities being offered, where applicable.

Trustee	:	Perpetual (Asia) Limited 16 Collyer Quay #26-02 Singapore 049318
Registrar	:	DBS Bank Ltd. 10 Toh Guan Road #04-11 (Level 4B) DBS Asia Gateway Singapore 608838
Calculation Agent	:	DBS Bank Ltd. 10 Toh Guan Road #04-11 (Level 4B) DBS Asia Gateway Singapore 608838
Paying Agent	:	DBS Bank Ltd. 10 Toh Guan Road #04-11 (Level 4B) DBS Asia Gateway Singapore 608838
Receiving Bank	:	DBS Bank Ltd. 12 Marina Boulevard, Level 42 Marina Bay Financial Centre Tower 3 Singapore 018982

PART III – OFFER STATISTICS AND TIMETABLE

Offer Statistics

1. For each method of offer, state the number of the securities being offered.

Methods of offer	:	The Public Offer, the Reserve Offer and the Placement.
Number and principal amount of Securities being offered	:	Offer of up to 300,000 Securities (based on a denomination of S\$1,000 for each Security) amounting to up to S\$300,000,000 in aggregate principal amount of Securities, provided that 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 500,000 Securities (based on a denomination of S\$1,000 for each Security) amounting to up to S\$500,000,000 in aggregate principal amount of Securities.

The timetable of the Offer may be extended, shortened or modified by the Issuer to such duration as it may, at its absolute discretion, think fit, with the approval of the SGX-ST (if required) and the agreement of the Sole Lead Manager and Bookrunner, and subject to any limitation under any applicable laws.

Public Offer Tranche

The offer of up to 230,000 Securities (based on a denomination of S\$1,000 for each Security) amounting to up to S\$230,000,000 in aggregate principal amount of Securities offered at the Issue Price to the public in Singapore through Electronic Applications, subject to the increase of the size of the Offer and reallocation as described in “Increase of Offer Size and Reallocation” below.

Reserve Offer Tranche

The offer of up to 20,000 Securities (based on a denomination of S\$1,000 for each Security) amounting to up to S\$20,000,000 in aggregate principal amount of Securities offered at the Issue Price to the directors, management and employees of the Issuer and its subsidiaries, subject to reallocation as described in “Increase of Offer Size and Reallocation” below, and provided always that the aggregate principal amount of 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.

Placement Tranche

The offer of up to 50,000 Securities (based on a denomination of S\$1,000 for each Security) amounting to up to S\$50,000,000 in aggregate principal amount of Securities offered at the Issue Price to institutional and other investors which are non-U.S. persons, outside the United States in offshore transactions (in each case as defined in Regulation S) in reliance on Regulation S, subject to the increase of the size of the Offer and reallocation as described in “Increase of Offer Size and Reallocation” below.

Increase of Offer Size and Reallocation

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, subject to a maximum issue size of S\$500,000,000 in aggregate principal amount of Securities. 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.

Unless indicated otherwise, all information in this Offer Information Statement illustrating the issue of Securities assumes that the Securities (if issued) will be issued in full.

The actual aggregate principal amount of Securities to be allocated between the Public Offer, the Reserve Offer and the Placement will be finalised on or prior to the Issue Date.

Method and Timetable

2. Provide the information referred to in paragraphs 3 to 7 of this Part to the extent applicable to –

(a) the offer procedure; and

(b) where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.

Please refer to paragraphs 3 to 7 of Part III “**Offer Statistics and Timetable – Method and Timetable**” of this Sixteenth Schedule section.

3. State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. If the exact time, date or period is not known on the date of lodgement of the offer information statement, describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the manner in which any extension or early closure of the offer period shall be made public.

Please refer to the section entitled “**EXPECTED TIMETABLE OF KEY EVENTS**” on page 25 of this Offer Information Statement.

As at the date of this Offer Information Statement, the Issuer does not expect the timetable under the section entitled “**EXPECTED TIMETABLE OF KEY EVENTS**” of this Offer Information Statement to be modified. However, the Issuer may, with the approval of the SGX-ST (if required) and the agreement of the Sole Lead Manager and Bookrunner, extend, shorten or modify the timetable as it may think fit subject to any limitation under any applicable laws. In particular, the Issuer will, if so agreed with the Sole Lead Manager and Bookrunner, have the absolute discretion to close the Public Offer, the Reserve Offer and/or the Placement early. The Issuer will, if so agreed with the Sole Lead Manager and Bookrunner, also have the absolute discretion to re-open the Placement.

The Issuer will publicly announce any changes to the timetable through an SGXNET announcement to be posted on the SGX-ST’s website at <<http://www.sgx.com>>.

The dates and times of the re-opening of the Placement, if applicable, will be announced by the Issuer through SGXNET. Prospective investors applying for the Placement Securities must get in touch with the Sole Lead Manager and Bookrunner directly.

Applications for the Public Offer Securities may only be made by way of Electronic Applications. Applications for the Reserve Offer Securities must be made directly through the Issuer who will determine, at its sole discretion, the manner and method for applications under the Reserve Offer. Applications for the Placement Securities may only be made directly through the Sole Lead Manager and Bookrunner, who will determine, at its discretion, the manner and method for applications under the Placement. Please also refer to Appendix F entitled “**TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE**” of this Offer Information Statement.

4. State the method and time limit for paying up for the securities and, where payment is to be partial, the manner in which, and dates on which, amounts due are to be paid.

The Public Offer Securities and Reserve Offer Securities are payable in full upon application while the Placement Securities are payable in full on or about the Issue Date, unless otherwise agreed by the Issuer and the Sole Lead Manager and Bookrunner.

Details of the methods of payment for the Securities are contained in Appendix F entitled “**TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE**” of this Offer Information Statement.

Please also refer to the section entitled “**EXPECTED TIMETABLE OF KEY EVENTS**” on page 25 of this Offer Information Statement for the last dates and times for applications for the Securities under the Public Offer, the Reserve Offer and the Placement.

5. State, where applicable, the methods of and time limits for –

- (a) the delivery of the documents evidencing title to the securities being offered (including temporary documents of title, if applicable) to subscribers or purchasers; and**
- (b) the book-entry transfers of the securities being offered in favour of subscribers or purchasers.**

Subject to the receipt of valid applications and payments for the Securities, the Securities will be issued on the Issue Date and will on issue be represented by the Global Certificate registered in the name of, and deposited with, CDP. Except in the limited circumstances described in the provisions of the Global Certificate, owners of interests in Securities represented by the Global Certificate will not be entitled to receive definitive certificates in respect of their individual holdings of Securities. The Securities which are represented by the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of CDP.

Upon crediting of the Securities (one (1) Market Day before the Securities are listed on the Mainboard of the SGX-ST) to the Securities Accounts of the relevant subscribers, it is expected that CDP will send to the relevant subscriber, at the relevant subscriber’s own risk, within three (3) Market Days after the date on which the Securities are credited, a confirmation note stating the number of Securities credited to the relevant subscriber’s Securities Account.

6. In the case of any pre-emptive rights to subscribe for or purchase the securities being offered, state the procedure for the exercise of any right of pre-emption, the negotiability of such rights and the treatment of such rights which are not exercised.

Not applicable.

7. Provide a full description of the manner in which results of the allotment or allocation of the securities are to be made public and, where appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid).

Announcement of Results

The Issuer will publicly announce the results of the allotment or allocation of the Public Offer Securities, the Reserve Offer Securities and the Placement Securities through an SGXNET announcement to be posted on the SGX-ST's website at <<http://www.sgx.com>>.

The Issuer and the Sole Lead Manager and Bookrunner reserve the right to reject or accept any application in whole or in part, or to scale down or ballot any application, without assigning any reason therefor, and no enquiry and/or correspondence on their decision will be entertained. This right applies to all applications for the Securities.

Manner of Refund

When any application for the Public Offer Securities by way of Electronic Application 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 the 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, provided that the remittance in respect of such application has been honoured and application moneys received in the designated issue account.

When an application for the Reserve 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 (without interest or any share of revenue or other benefit arising therefrom) by means of a crossed cheque in Singapore currency drawn on a bank in Singapore, at their own risk, within 14 days after the Closing Date of the Reserve Offer, the receipt by such applicant being a good discharge to the Issuer, the Sole Lead Manager and Bookrunner and CDP of their obligations.

Where the Offer does not proceed for any reason, the full amount paid on application will be returned or refunded to such applicants (without interest or any share of revenue or other benefit arising therefrom), at their own risk, within 14 days after the Offer is discontinued, in the manner described in the immediately preceding paragraphs.

Please refer to Appendix F entitled “**TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE**” of this Offer Information Statement for further details.

PART IV – KEY INFORMATION

Use of Proceeds from Offer and Expenses Incurred

- 1. In the same section, provide the information set out in paragraphs 2 to 7 of this Part.**

Please refer to paragraphs 2 to 7 of Part IV “**Key Information – Use of Proceeds from Offer and Expenses Incurred**” of this Sixteenth Schedule section.

- 2. Disclose the estimated amount of the proceeds from the offer (net of the estimated amount of expenses incurred in connection with the offer) (referred to in this paragraph and paragraph 3 of this Part as the net proceeds). Where only a part of the net proceeds will go to the relevant entity, indicate the amount of the net proceeds that will be raised by the relevant entity. If none of the proceeds will go to the relevant entity, provide a statement of that fact.**

The gross proceeds from the Offer of S\$300,000,000 in aggregate principal amount of Securities will be S\$300,000,000. In the event that the gross proceeds raised from the Offer is S\$300,000,000, the Issuer estimates, after deducting estimated costs and expenses associated with the Offer and the issue of the Securities, the net proceeds from the issuance of Securities to be approximately S\$296,490,000 (assuming that S\$230,000,000 in aggregate principal amount of Securities is issued under the Public Offer, S\$20,000,000 in aggregate principal amount of Securities is issued under the Reserve Offer and S\$50,000,000 in aggregate principal amount of Securities is issued under the Placement).

In the event that the maximum issue size of S\$500,000,000 in aggregate principal amount of Securities is issued, the gross proceeds from the Offer will be S\$500,000,000. In the event that the gross proceeds raised from the Offer is S\$500,000,000, the Issuer estimates, after deducting estimated costs and expenses associated with the Offer and the issue of the Securities, the net proceeds from the issuance of Securities to be approximately S\$494,700,000 (assuming that S\$380,000,000 in aggregate principal amount of Securities is issued under the Public Offer, S\$20,000,000 in aggregate principal amount of Securities is issued under the Reserve Offer and S\$100,000,000 in aggregate principal amount of Securities is issued under the Placement).

In the event that S\$100,000,000 in aggregate principal amount of Securities is issued, being the amount at which the Issuer has the right to cancel the Offer in the event that the applications in aggregate received are less than this amount, the gross proceeds from the Offer will be S\$100,000,000. In the event that the gross proceeds raised from the Offer is S\$100,000,000, the Issuer estimates, after deducting estimated costs and expenses associated with the Offer and the issue of the Securities, the net proceeds from the issuance of Securities to be approximately S\$98,420,000 (assuming that S\$60,000,000 in aggregate principal amount of Securities is issued under the Public Offer, S\$10,000,000 in aggregate principal amount of Securities is issued under the Reserve Offer and S\$30,000,000 in aggregate principal amount of Securities is issued under the Placement).

All proceeds of the Offer will go to the Issuer and are presently intended to be used for the purposes stated in paragraph 4 of Part IV “**Key information – Use of Proceeds from Offer and Expenses Incurred**” of this Sixteenth Schedule section.

3. **Disclose how the net proceeds raised by the relevant entity from the offer will be allocated to each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses. Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the proceeds are proposed to be applied. Where the offer is not fully underwritten on a firm commitment basis, state the minimum amount which, in the reasonable opinion of the directors or equivalent persons of the relevant entity, must be raised by the offer of securities.**

All net proceeds of the Offer are presently intended to be used for the purposes, and in the order of priority, stated in paragraph 4 of Part IV “**Key information – Use of Proceeds from Offer and Expenses Incurred**” of this Sixteenth Schedule section.

Pending the deployment of the net proceeds from the Offer, the net proceeds may be deposited with banks and/or financial institutions or used for other purposes on a short-term basis as the Issuer may deem appropriate in the interests of the Issuer and the Group.

The Offer is not underwritten. While the Issuer reserves the right to cancel the Offer in the event that less than S\$100,000,000 in aggregate principal amount of applications are received under the Offer, in the reasonable opinion of the Directors, no minimum amount must be raised by the Offer.

4. **For each dollar of the proceeds from the offer that will be raised by the relevant entity, state the estimated amount that will be allocated to each principal intended use and the estimated amount that will be used to pay for expenses incurred in connection with the offer.**

Assuming an aggregate principal amount of S\$300,000,000 of Securities are issued, for each dollar of the gross proceeds of S\$300,000,000 to the Issuer from the Offer (assuming that S\$230,000,000 in aggregate principal amount of Securities is issued under the Public Offer, S\$20,000,000 in aggregate principal amount of Securities is issued under the Reserve Offer and S\$50,000,000 in aggregate principal amount of Securities is issued under the Placement), the Issuer will allocate:

- (a) approximately 1.17 cents (representing 1.17 per cent. of the gross proceeds) to pay for costs and expenses incurred in connection with the Offer and the issue of the Securities;
- (b) approximately 91.66 cents (representing 91.66 per cent. of the gross proceeds) to be used for the repayment of (i) the \$100,000,000 in aggregate principal amount of 3.50 per cent. outstanding notes due 2016 issued under the Issuer’s S\$1,500,000,000 multicurrency debt issuance programme established on 3 July 2008 and updated on 7 January 2016 and (ii) the S\$175,000,000 in aggregate principal amount of 4.80 per cent. outstanding perpetual capital securities; and
- (c) approximately 7.17 cents (representing 7.17 per cent. of the gross proceeds) to be used for general corporate purposes, including the repayment and/or refinancing of existing borrowings, redemptions of outstanding perpetual capital securities, financing of working capital and/or capital expenditure requirements of the Issuer or the Group.

In the event that the maximum aggregate principal amount of S\$500,000,000 of Securities are issued, for each dollar of the gross proceeds of S\$500,000,000 to the Issuer from the Offer (assuming that S\$380,000,000 in aggregate principal amount of Securities is issued

under the Public Offer, S\$20,000,000 in aggregate principal amount of Securities is issued under the Reserve Offer and S\$100,000,000 in aggregate principal amount of Securities is issued under the Placement), the Issuer will allocate:

- (a) approximately 1.06 cents (representing 1.06 per cent. of the gross proceeds) to pay for costs and expenses incurred in connection with the Offer and the issue of the Securities;
- (b) approximately 55.00 cents (representing 55.00 per cent. of the gross proceeds) to be used for the repayment of (i) the \$100,000,000 in aggregate principal amount of 3.50 per cent. outstanding notes due 2016 issued under the Issuer's S\$1,500,000,000 multicurrency debt issuance programme established on 3 July 2008 and updated on 7 January 2016 and (ii) the S\$175,000,000 in aggregate principal amount of 4.80 per cent. outstanding perpetual capital securities; and
- (c) approximately 43.94 cents (representing 43.94 per cent. of the gross proceeds) to be used for general corporate purposes, including the repayment and/or refinancing of existing borrowings, redemptions of outstanding perpetual capital securities, financing of working capital and/or capital expenditure requirements of the Issuer or the Group.

In the event that S\$100,000,000, being the amount whereby the Issuer has the right to cancel the Offer in the event that the applications in aggregate received under the Offer are less than this amount, in aggregate principal amount of Securities is issued, for each dollar of the gross proceeds of S\$100,000,000 to the Issuer from the Offer (assuming that S\$60,000,000 in aggregate principal amount of Securities is issued under the Public Offer, S\$10,000,000 in aggregate principal amount of Securities is issued under the Reserve Offer and S\$30,000,000 in aggregate principal amount of Securities is issued under the Placement), the Issuer will allocate:

- (a) approximately 1.58 cents (representing 1.58 per cent. of the gross proceeds) to pay for costs and expenses incurred in connection with the Offer and the issue of the Securities; and
- (b) approximately 98.42 cents (representing 98.42 per cent. of the gross proceeds) to be used for general corporate purposes, including the repayment and/or refinancing of existing borrowings, redemptions of outstanding perpetual capital securities, financing of working capital and/or capital expenditure requirements of the Issuer or the Group.

5. If any of the proceeds to be raised by the relevant entity will be used, directly or indirectly, to acquire or refinance the acquisition of an asset other than in the ordinary course of business, briefly describe the asset and state its purchase price. If the asset has been or will be acquired from an interested person of the relevant entity, identify the interested person and state how the cost to the relevant entity is or will be determined.

All net proceeds of the Offer are presently intended to be used for the purposes, and in the order of priority, stated in paragraph 4 of Part IV “**Key information – Use of Proceeds from Offer and Expenses Incurred**” of this Sixteenth Schedule section.

As at the date of this Offer Information Statement, there is no intention by the Issuer to use the net proceeds from the Offer to acquire or refinance the acquisition of an asset other than in the ordinary course of business.

- 6. If any of the proceeds to be raised by the relevant entity will be used to finance or refinance the acquisition of another business, briefly describe the business and give information on the status of the acquisition.**

All net proceeds of the Offer are presently intended to be used for the purposes, and in the order of priority, stated in paragraph 4 of Part IV **“Key information – Use of Proceeds from Offer and Expenses Incurred”** of this Sixteenth Schedule section.

As at the date of this Offer Information Statement, there is no intention by the Issuer to use the net proceeds from the Offer to finance or refinance the acquisition of another business.

- 7. If any material part of the proceeds to be raised by the relevant entity will be used to discharge, reduce or retire the indebtedness of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, of the group, describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put.**

As disclosed in paragraph 4 of Part IV **“Key information – Use of Proceeds from Offer and Expenses Incurred”** of this Sixteenth Schedule section, a material part of the proceeds is presently intended to be used for the repayment of the \$100,000,000 in aggregate principal amount of 3.50 per cent. outstanding notes due 2016 issued under the Issuer’s S\$1,500,000,000 multicurrency debt issuance programme established on 3 July 2008 and updated on 7 January 2016 and the S\$175,000,000 in aggregate principal amount of 4.80 per cent. outstanding perpetual capital securities.

The proceeds of both the \$100,000,000 in aggregate principal amount of 3.50 per cent. outstanding notes due 2016 and the S\$175,000,000 in aggregate principal amount of 4.80 per cent. outstanding perpetual capital securities were used for general corporate purposes, including the repayment of the Issuer’s then-existing borrowings and the financing of working capital, investments (including mergers and acquisitions) and/or capital expenditure requirements of the Issuer or the Group.

The \$100,000,000 in aggregate principal amount of 3.50 per cent. outstanding notes will be due on 21 July 2016 and the S\$175,000,000 in aggregate principal amount of 4.80 per cent. outstanding perpetual capital securities will be first redeemable, at the Issuer’s option, on 29 July 2016.

- 8. In the section containing the information referred to in paragraphs 2 to 7 of this Part or in an adjoining section, disclose the amount of discount or commission agreed upon between the underwriters or other placement or selling agents in relation to the offer and the person making the offer. If it is not possible to state the amount of discount or commission, the method by which it is to be determined must be explained.**

The Issuer will pay to the Sole Lead Manager and Bookrunner:

- (a) a fee of 1.00 per cent. of the principal amount of the Public Offer Securities, in relation to the Public Offer; and
- (b) a fee of 0.35 per cent. of the principal amount of the Placement Securities, in relation to the Placement.

For the avoidance of doubt, the principal amount of the Securities referred to in paragraphs (a) and (b) above shall be the final allocated principal amount issued on the Issue Date.

Information on the Relevant Entity

9. Provide the following information:

- (a) the address and telephone and facsimile numbers of the relevant entity's registered office and principal place of business (if different from those of its registered office);

Relevant entity	:	Hyflux Ltd
Registered Office/Principal Place of Business	:	Hyflux Innovation Centre 80 Bendemeer Road Singapore 339949
Telephone Number	:	+65 6214 0777
Facsimile Number	:	+65 6214 1211

- (b) the nature of the operations and principal activities of the relevant entity or, if it is the holding company or holding entity of a group, of the group;

BACKGROUND

Founded in 1989 as Hydrochem (S) Pte Ltd, a small water treatment company with a start-up capital of S\$20,000 and three staff, Hyflux is today a global leader in sustainable solutions, focusing on the areas of water and energy. Headquartered and listed in Singapore, the Group has operations and projects in Southeast Asia, the PRC, India, the MEA and the Americas. Hyflux is committed to providing cost-effective and innovative solutions that contribute to resource optimisation and sustainable growth for communities and industries.

In preparation for a public listing, Hyflux Pte Ltd was incorporated on 31 March 2000 to assume the role of an investment holding company for the Group. As a result, Hydrochem (S) Pte Ltd became a wholly-owned subsidiary of Hyflux Pte Ltd. Subsequently on 20 December 2000, Hyflux Pte Ltd was converted to a public limited company and its name was changed to Hyflux Ltd.

Hyflux was the first water treatment company to be listed in Singapore. On 8 January 2001, Hyflux launched its initial public offering, and on 17 January 2001, Hyflux's shares began trading on the SGX-ST.

As at the Latest Practicable Date, Hyflux has a market capitalisation of approximately S\$443 million.

The Group's strengths lie in the development of cutting-edge technologies, its proven technical capabilities and ability to deliver fully integrated solutions, as well as its track record of successful execution of mega-scale projects. This forms the basis of its solid foundation built over the last 27 years. Leveraging on its foundation, human capital and strategic partnerships, the Group is well-positioned to capitalise on the opportunities present in the global water industry.

The Group provides a comprehensive suite of integrated services in water to suit the myriad needs of its clients, from R&D, membrane manufacturing, membrane and system sales, process engineering design, turnkey project management, EPC, O&M of integrated water and power plants, to investment in water and infrastructure projects.

The Group provides solutions in:

- seawater desalination;
- integrated water and power;
- water recycling;
- wastewater treatment;
- potable water treatment; and
- energy.

Hyflux is a specialist in water treatment and is distinctive in its ability to address the challenges at every point of the entire water value chain. This has positioned Hyflux to be one of the top desalination plant developer globally.

The Group's track record includes Singapore's first water recycling plant, the only two SWRO desalination plants in Singapore and some of the world's largest SWRO desalination plants in Algeria, the PRC, Oman, Saudi Arabia and Singapore. As at the Latest Practicable Date, the Group has built over 40 plants in the PRC, Singapore and Algeria. The Group has developed Asia's first integrated water and power project in Singapore and recently secured a second integrated water and power project in Egypt. The Group is also developing Singapore's largest waste-to-energy plant.

Leveraging on its cutting-edge water filtration and purification technologies, the Group has developed its own brand of innovative water treatment solutions and products to enhance the quality and taste of water for the residential market.

As at the Latest Practicable Date, the Group has more than 1,300 membrane products and systems installed in over 400 locations across the globe. With some 2,500 staff worldwide, a proven track record and the ability to draw on its comprehensive capabilities across the entire value chain, the Group is positioned to deliver the most effective and efficient solutions to meet the needs of its clients.

In the area of energy, the Group has expanded from energy generation and retail to include waste-to-energy and providing clean and renewable energy. Beyond municipal and industrial projects, the Group is also building up its consumer segment by leveraging its expertise in water technology for stable and recurring income.

CORE BUSINESS

Driven by a solid base of technology know-how and commercialisation, the Group's business lines are:

- environmental solutions;
- membrane sales; and
- O&M of water plants.

Environmental Solutions

The Group provides one-stop water solutions covering the entire water value chain from R&D, project origination, component manufacturing, process engineering design, EPC, to the O&M of industrial and municipal water treatment plants. Its presence throughout the entire value chain enables the optimisation of the entire plant and tighter control over timelines. The Group's involvement in O&M also provides incentive to minimise life-cycle cost of the plant.

– Desalination

The global desalination market is a robust and growing one. Through continuous improvements to its proprietary membranes, process design and operational know-how gained from its experience in designing, building and operating world-scale desalination plants in Singapore, the PRC and the MEA region, the Group is well placed to provide economical, reliable and sustainable energy-efficient water solutions to water stressed markets.

Desalination refers to the process of removing salt and other minerals from water. The desalinated water is then used for human consumption or in industries. There are mainly two types of desalination processes – thermal distillation and membrane-based desalination. Membrane-based desalination uses semi-permeable membranes and pressure to separate salts from water.

In the last decade, membrane-based desalination has become the preferred choice of many industries and has consequently undergone numerous improvements. This is because membrane systems typically use less energy than thermal distillation, and technology enhancements have led to a reduction in overall desalination costs over the last decade.

The key water desalination projects undertaken by the Group are as follows:

SingSpring Desalination Plant

Client:	PUB, Singapore
Project:	Design, construct, finance and maintain a seawater desalination plant for a period of 20 years
Capacity:	136,380 m ³ /day
Completed:	2005

The SingSpring Desalination Plant at Tuas is Singapore's first seawater desalination plant and it meets some 10 per cent. of the nation's water needs. Under a 20-year build-own-operate arrangement with PUB, the plant produces 136,380 m³/day of potable water, enough to fill about 55 Olympic size swimming pools. It adopts RO technology with semi-permeable membranes.

The plant was one of PUB's pioneering public-private partnership initiatives and was completed three months ahead of schedule in September 2005. The project financing deal was awarded the Euromoney Asia Pacific Water Deal of the Year in 2003. This award has set a new benchmark in terms of scope as well as complexity of execution in the growing market of privately financed water projects. It also won Distinction at the Global Water Awards 2006.

Tianjin Dagang Desalination Plant

Client:	People's Government of Tianjin City, Dagang District, the PRC
Project:	Develop, design, build, own and operate a SWRO desalination plant on 30 years' concession
Capacity:	100,000 m ³ /day, expandable to 150,000 m ³ /day
Completed:	2009

The Tianjin Dagang Desalination Plant is the largest membrane-based seawater desalination plant in the PRC and one of the world's most northern large-scale desalination plants. It utilises the Group's proprietary Kristal® UF membranes for the pre-treatment process and a doublepass RO process to produce water for Tianjin's petrochemical industries.

Sited next to the existing Dagang power plant, the Tianjin Dagang Desalination Plant derives its feed water from the cooling water discharge of the power plant. With the intake water being 5°C warmer than the ambient temperature, lower osmotic pressure is required during the treatment process, resulting in lower energy consumption and higher efficiency levels.

The plant's modular design has also enabled the delivery of water on specification only three months from testing and commissioning.

Souk Tleta Desalination Plant

Client:	Algerian Energy Company ("AEC"), Algeria
Project:	Design, develop, build, operate and maintain a SWRO desalination plant on 25 years' concession
Capacity:	200,000 m ³ /day
Completed:	2011

The Souk Tleta Desalination Plant is a joint venture project with Malakoff AIDjazair Desal Sdn Bhd and AEC, the state-owned company handling power and water privatisation exercises in Algeria. It marks the Group's entry into the water treatment market in Algeria and the MEA region.

The plant, which is situated just 50 m from the coast, utilises the Group's proprietary Kristal® UF membranes for the pre-treatment process and a RO process to produce water for both the state-owned water entity and national oil company of Algeria.

Salalah IWPP

Client:	SEPCOIII Electric Power Construction Corporation
Project:	Design and supply a desalination facility for the IWPP in Oman
Capacity:	68,000 m ³ /day
Completed:	2012

The Group secured the contract to design and supply a desalination facility for the Salalah IWPP in Oman. This contract marks the first desalination project in Oman and the first IWPP for the Group.

Tuaspring Integrated Water and Power Project

Client:	PUB, Singapore
Project:	Design, construct, finance and maintain a seawater desalination plant for a period of 25 years
Capacity:	318,500 m ³ /day
Completed:	2013

The Tuaspring integrated water and power project is Singapore's second and largest seawater desalination plant. It is Asia's first integrated water and power project, with an on-site 411 megawatt combined cycle gas turbine power plant to supply power to the desalination plant and to the National Electricity Market of Singapore.

Together with SingSpring Desalination Plant, it can meet up to 25 per cent. of the country's water needs. It won Distinction at the Global Water Awards 2014.

Tembusu Seawater Desalination Plant

Client:	TP Utilities Pte Ltd
Project:	EPC works for stage one of the Tembusu Seawater Desalination Plant in Singapore
Capacity:	182,000 m ³ /day
Completed:	2013

The Group was awarded a contract by TP Utilities Pte Ltd, a wholly-owned unit of leading power company Tuas Power Ltd, to undertake the EPC works for stage one of the Tembusu Seawater Desalination Plant. The plant has a designed capacity to produce approximately 182,000 m³/day of high grade industrial water to be supplied to the petrochemical factories situated in the Tembusu area of Jurong Island.

Magtaa Desalination Plant

Client:	AEC, Algeria
Project:	Design, develop, build, operate and maintain a SWRO desalination plant on 25 years' concession
Capacity:	500,000 m ³ /day
Completed:	2014

The Group won the bid – amidst intense global competition with top international players – to build the then world's largest SWRO desalination plant in Magtaa, Algeria, shortly after winning the 200,000 m³/day Souk Tleta desalination project in October 2006. This landmark win has helped the Group surge ahead in the global water

landscape. The pre-treatment process in this plant uses the Group's award-winning proprietary Kristal[®] UF membranes. With a designed capacity of 500,000 m³/day, the project is one of the world's largest UF and RO desalination plant.

With both the Souk Tleta and Magtaa projects combined, the Group is Algeria's single largest provider of desalinated water, contributing to more than 30 per cent. of the total capacity.

Qurayyat Independent Water Project (“Qurayyat IWP”)

Client:	Oman Power and Water Procurement Co. (“OPWP”)
Project:	Design, build, own, operate and maintain a SWRO desalination plant on 20 years' concession
Capacity:	200,000 m ³ /day
Expected completion:	2017

The Group was formally awarded the project from the OPWP, following the signing of the water purchase agreement between OPWP and Hyflux's subsidiary, Qurayyat Desalination SAOC (“**Qurayyat Desalination SAOC**”).

Qurayyat IWP will employ RO technology and have a designed capacity of 200,000 m³/day. The project is scheduled to commence commercial operation by May 2017 under a 20-year water purchase agreement with OPWP. Hyflux's role includes turnkey EPC as well as O&M of the plant.

– Water Recycling

Water recycling is a good alternative to seawater desalination for water-stressed areas that do not have access to the sea. While psychological factors may inhibit the use of recycled water for drinking purposes, it can be channelled for use in industries, leaving more water available for human consumption.

The Group's experience in building water recycling plants in Singapore, the PRC and India utilising its proprietary Kristal[®] UF membranes makes the Group a partner of choice when it comes to delivering sustainable water solutions to water-stressed regions, particularly those with no access to the sea.

Water recycling is the process of reclaiming used water or wastewater and treating the reclaimed or recycled water by removing solids and certain impurities for reuse.

The key water recycling projects undertaken by the Group are as follows:

Bedok NEWater Plant

Client:	PUB, Singapore
Project:	Supply and installation of high grade industrial water reclamation process plant
Capacity:	32,000 m ³ /day, expandable to 88,000 m ³ /day
Completed:	2002

The Bedok NEWater plant was the first of six NEWater plants in Singapore. The Group supplied process equipment for the plant, which uses UF and RO processes and ultraviolet disinfection to treat secondary effluent and produce high quality water for industrial applications.

NEWater is a term coined by PUB, for high-grade reclaimed water that has been purified with advanced dual-membrane and ultraviolet technologies.

The Bedok NEWater plant marked the Group's first foray into the municipal water treatment market as well as the first large-scale use of membranes in Singapore.

Seletar NEWater Plant (Decommissioned)

Client:	PUB, Singapore
Project:	Design and construction of high grade water reclamation plant
Capacity:	24,000 m ³ /day, expandable to 40,000 m ³ /day
Completed:	2004

Following the Group's first success in the Bedok NEWater plant, another NEWater project was secured from PUB in December 2002. The Group designed, constructed and commissioned Singapore's third NEWater plant at Seletar to produce 24,000 m³/day of NEWater for Phase 1 and expanded it to a maximum of 40,000 m³/day for Phase 2.

The Group's proprietary Kristal[®] UF membrane system was selected for use at the Seletar NEWater plant in the pre-treatment stage. This represented a technology breakthrough in the treatment of different feed waters, municipal wastewater and other liquid streams. Capable of producing 24,000 m³ of recycled wastewater per day, the plant marked the first time that the Group's proprietary UF membranes were used on such a scale.

The UF membrane system based on Kristal[®] technology is simple, robust and subjected to the most stringent quality control. This ensures utmost product integrity, consistency and reliability in performance. When compared to conventional pre-treatment, Kristal[®] provides greater process assurance as it can remove particulate and colloidal materials more reliably with the use of fewer chemicals. Kristal[®] is also efficient in terms of both footprint and bacterial and virus log removal. In addition, because of the high quality

permeate from Kristal[®], it provides the RO systems with a higher sustainable flux, smaller system size and lower leaning frequency, thereby significantly reducing operation capital costs.

The Seletar NEWater Plant has since been decommissioned alongside the closure of the Seletar Water Reclamation Plant in 2011 as part of the PUB's plan to centralise the collection and treatment of used water.

Surat Water Recycling Plant

Client:	Enviro Control Associates
Project:	Design, supply, installation, testing and commissioning of process equipment for tertiary treatment plant
Capacity:	40,000 m ³ /day
Completed:	2013

India's largest membrane-based water recycling plant in Surat, in the state of Gujarat, turns wastewater into industrial grade water for Pandesara Industrial Estate. This has reduced pressure on groundwater resources in the city and freed up potable water for households.

– Wastewater Treatment (Conventional and MBR Technology)

The Group offers comprehensive, cost-effective and reliable wastewater treatment systems for a wide range of applications across many cities, municipals and industries. As at the Latest Practicable Date, the Group operates over 30 water, wastewater, water recycling and desalination plants worldwide.

A one-stop solutions provider, the Group's experienced team of researchers, engineers and technical personnel can customise and provide effective wastewater treatment solutions based on the desired water quality and output.

Wastewater Treatment (Conventional)

Conventional wastewater treatment is the treatment of used water released from residences, businesses (such as restaurants and food courts) and industries. It is a multi-stage treatment process to eliminate or reduce the pollutants and toxins in wastewater to an acceptable level before the water can be safely discharged into the environment. Wastewater treatment may also be followed by recycling for reuse.

The key wastewater treatment projects undertaken by the Group are as follows:

Langfang Wastewater Treatment and Water Recycling Plant

Client:	People's Government of Langfang City, the PRC
Project:	Transfer-Own-Transfer on 25 years' concession
Capacity:	80,000 m ³ /day (wastewater treatment plant), 40,000 m ³ /day (water recycling plant)
Completed:	2007

The Langfang wastewater treatment and water recycling plant is located at the Bohai Rim Economic Circle and Capital Economic Circle in Hebei Province. The wastewater treatment plant is designed to treat wastewater using the biological treatment process that meets the PRC's stringent Class I discharge standard.

Growth in demand for wastewater treatment and recycled water is supported by high-tech factories from machinery, telecommunications and automotive component manufacturing industries housed in the concession area.

Beichen Wastewater Treatment & Water Recycling Plant

Client:	People's Government of Beichen District, Tianjin City, the PRC
Project:	Build-Own-Transfer on 30 years' concession
Capacity:	50,000 m ³ /day (wastewater treatment plant), 5,000 m ³ /day (water recycling plant)
Completed:	2008

Tianjin is a province with water scarcity issues and the municipality of Tianjin is actively pursuing water conservation and expansion of treatment facilities. The Beichen wastewater treatment plant is located in the Beichen District, along the Jing Jin high-tech industries belt in Tianjin City.

The presence of a high-tech industrial park in the concession area provides opportunities for the water recycling plant to supply high grade recycled water to factories from the electromechanical manufacturing, biopharmaceuticals, auto parts, food and beverages processing, new materials and rubber industries. The plant adopts the biological treatment process to treat wastewater to the PRC's Class I discharge standard.

Zunyi Wastewater Treatment Plant

Client:	People's Government of Zunyi City, the PRC
Project:	Build-Own-Transfer on 30 years' concession
Capacity:	150,000 m ³ /day
Completed:	2013

Zunyi Wastewater Treatment Plant serves over 70 per cent. of the population in Zunyi City in Guizhou province, the PRC.

Situated in southern Zunyi City, the plant is one of the largest wastewater treatment facilities developed by the Group in the PRC.

The plant adopts the conventional activated sludge process to treat wastewater to the PRC's Class I discharge standard.

Wastewater Treatment (MBR technology)

The MBR technology combines the membrane process of filtration and the solid-liquid separation step into a single and cost-effective process that reduces capital and operating costs. It is a highly advanced method and is widely used for municipal and industrial wastewater treatment.

MBRs offer several advantages over conventional wastewater treatment, such as producing effluent of a quality fit for reuse or discharge to coastal, surface or brackish waterways, small footprint, easy retrofit and simple operations.

The key project for MBR water treatment plants undertaken by the Group is as follows:

Jurong MBR

Client:	PUB, Singapore
Project:	Design, construct, test and commission Singapore's largest MBR plant
Capacity:	68,000 m ³ /day
Completed:	2014

Singapore's largest MBR plant is situated at the Jurong Water Reclamation Plant. It uses biological processes and microfiltration membranes to treat used water from the industrialised Jurong catchment for use by industries located on Jurong Island.

– Potable Water Treatment

The Group is experienced in natural resource water purification, bottled water filtration, as well as mobile water purification systems.

Potable water is simply water that is safe to drink, and free from pollution, harmful organisms and impurities. The Group's proprietary Kristal[®] UF membranes give an added advantage when purifying water in regions where the water source contains impurities or has a high salinity content.

Chestnut Avenue Waterworks ("CAWW")

Client:	PUB, Singapore
Project:	Supply of membrane filtration system for the expansion of potable water treatment works at CAWW
Capacity:	273,000 m ³ /day
Completed:	2003

The CAWW is Singapore's first waterworks that uses membrane-based filtration to produce potable water. To meet increasing treatment demands, the Group re-designed the former treatment plant and used a siphon in lieu of permeate pumps. This reduced the footprint size and hence reduced the operating cost of the plant.

The ability to produce water of consistent and superior quality as compared to conventional treatment motivated the adoption of advanced membrane technology as the treatment process for raw water in CAWW. CAWW is also one of the world's largest potable water plants using UF membrane treatment works for potable water.

– Power

Tuaspring Integrated Water and Power Project

See the description entitled “**Tuaspring Integrated Water and Power Project**” in page 91 above for more information.

TuasOne Waste-to-Energy (“WTE”) Plant

Client:	NEA, Singapore
Project:	Design, build, own and operate Singapore's sixth and largest WTE plant on 25-year concession
Capacity:	3,600 tonnes/day
Expected completion:	2019

TuasOne WTE Plant is Singapore's sixth and largest WTE plant. It will be able to process 3,600 tonnes of waste per day and generate 120 MW of clean and renewable electricity. It will have one of the best land utilisation factors in terms of incineration capacity per unit floor area and will also be one of the most efficient in terms of energy recovery per unit waste incinerated in the world.

Membrane Sales

The Group is focused on developing a comprehensive range of membrane products and systems through in-house research and collaboration with reputable institutions worldwide.

As at the Latest Practicable Date, the Group has installed more than 1,300 membrane products and systems in over 400 locations worldwide, providing environmentally-friendly solutions to a wide range of applications in water treatment and industrial manufacturing processing. The Group's proprietary membranes and systems include the following:

Kristal[®] Polymer Hollow Fibre UF Membrane

When it comes to filtration, the Group's Kristal[®] polymeric UF hollow fibre membranes and systems offer a superior level of performance, efficiency and reliability. Designed with a cross-flow and out-to-in configuration, Kristal[®] membranes deliver consistent, high quality product water even in challenging feed water conditions.

Made from specially formulated hydrophilic polyethersulfone or polyvinylidene difluoride material, Kristal[®] membranes have the advantage of high flux rates, low fouling tendencies and enhanced chemical resistance. Its uniquely designed asymmetric profile with sponge-like structure and small pore size ensure consistent, high permeate flux and quality. With minimum operating attention, Kristal[®] can still meet

the strictest discharge criteria with ease even in challenging feed water conditions. As a result, Kristal[®] users can enjoy a low capital and installation cost with a large membrane area per unit volume at a small footprint.

Kristal[®] has received numerous awards and certifications from international organisations, government agencies as well as consultants. Manufactured according to ISO standards, Kristal[®] is the first UF membrane to achieve certification by NSF International, the independent, non-profit, non-governmental organisation which is the world leader in product certification for public health and safety.

Kristal[®] membranes have been employed in more than 1,000 locations worldwide, from the largest desalination plants to small and medium-sized water treatment facilities across some 400 locations all over the world. This is a key testament to the effectiveness and quality of Kristal[®] membranes.

PoroCep[®] Hollow Fibre Submerged Membrane

Designed for use in MBR systems, the Group's PoroCep[®] hollow fibre submerged membranes combine innovative compact design with sustained high performance efficiency that help save energy and reduce costs throughout a wastewater plant's lifecycle.

Manufactured and assembled in Singapore, PoroCep[®] membranes are made from high-density polyethylene, a non-toxic, non-leaching material with excellent tensile strength as well as strong pH and oxidation resistance. Like Kristal[®], the asymmetric and slit pore structure gives rise to the sharp rejection profile allowing PoroCep[®] to deliver consistently, high quality permeate regardless of the fluctuations in feed water quality. Its unique free-floating design minimises fouling and maximises membrane packing density allowing users to save energy costs and use a lower footprint compared to conventional treatment methods.

Drawing upon its experience in NEWater (municipal wastewater recycling plant) projects in Singapore and extensive membrane research, Hyflux developed PoroCep[®], a reliable, high performance solution that is well suited for industrial and municipal wastewater treatment and reclamation.

FerroCep[®] Stainless Steel Tubular Membrane

Designed and engineered to handle high viscosity feeds, the Group's FerroCep[®] stainless steel membranes offer a solution to many industrial filtration needs where high concentrations of chemicals, suspended solids and contaminants make other membrane separation methods unsuitable. Manufactured in Singapore, FerroCep[®] combines the process durability of stainless steel material with membrane separation technology.

Based on proven technology which combines a rugged tube made of sintered stainless steel powder with patented coating technology, a sintered titanium dioxide layer is permanently bonded to the porous stainless steel tube of FerroCep[®]. This inert and highly durable inorganic membrane can withstand extreme conditions like elevated temperatures and pressures, concentrated solvents or extreme pH and has a much longer service life (more than 10 years) than most ceramic and polymeric membranes. The tubular cross-flow technology and 316L stainless steel construction allow FerroCep[®] membranes to run at high cross-flow velocities that provide a "sweeping"

action to wash away any foulants residing on the membranes' surface, while maintaining a reasonable pressure drop as compared to other membrane configurations with smaller diameters.

Because of its robust nature, FerroCep® is a versatile membrane that has been employed in many industries including food and beverage, textile, pulp and paper, oil and gas, metal and pharmaceutical. FerroCep® is able to help industrial users achieve significant cost savings through the reduction of production costs, energy consumption as well as wastewater discharge making it the superior industrial separation solution.

Standard Membrane Systems

Powered by engineering excellence and membrane-based water treatment expertise, the Group's Standard Membrane Systems are a series of compact, pre-engineered seawater and brackish water RO systems that incorporate the Group's proprietary Kristal® UF membranes with RO membrane units and components.

These systems address the challenges of water shortages and water usage restrictions faced by industries and communities worldwide by providing a reliable, high quality supply of water in a simple, fast and cost-effective way. Designed for high performance efficiency and low lifecycle costs, the Standard Membrane Systems can be rapidly installed (turnaround time of eight weeks) and started up to offer a reliable, cost effective and high quality water supply to industries and small communities facing water shortages or water usage restrictions.

Backed by the Group's years of expertise and experience in design, development, process engineering design, installation, operation and maintenance of small to large scale desalination facilities worldwide, users can count on the Group's Standard Membrane Systems to offer a sustainable solution to cater to their water needs.

Floating Desalination Production Vessel ("FDPV")

The FDPV is a mobile and highly flexible vessel with a maximum production capacity of 30,000 m³/day. The desalination system on board draws on Hyflux's expertise in design, engineering and installation. Hyflux's FDPV addresses the issue of land limitations or space availability and is a faster alternative to land-based plants which require a long time to build and complete. It can moor at any location or be moved within a short period of time.

Ultrapure Water System

Hyflux's Ultrapure Water System is designed for boiler feed water pre-treatment, It produces high purity water that keeps all types of power plants operating optimally and reliably. The compact, modular system uses Hyflux's proprietary Kristal® ultrafiltration membranes.

O&M

The Group's team of experienced industry veterans provide round the clock O&M services and support to its global clients. Its proven ability to operate and maintain plants at optimal level has won the Group international recognition.

The Group offers the following O&M advantages:

- high plant availability;

- reliable water quantity and quality;
- cost efficiency and effectiveness;
- compliance with laws and regulations, with special emphasis on health, safety and environmental aspects; and
- advice on plant improvements.

Over the years, the Group has been working on growing its O&M order book as part of its concerted initiative to develop recurring and predictable income streams. As O&M revenues are contractually supported over concession periods which typically range from 20 to 30 years, a stronger O&M order book translates to a higher proportion of steady and predictable revenue for the Group. As at 31 December 2015, the Group's O&M order book amounted to approximately S\$1,959 million.

BUSINESS STRATEGIES & STRENGTH

At the Group, innovation extends beyond its laboratories to every aspect of its business and operations – from membrane development to EPC and O&M execution to asset management. The Group's spirit of innovation and entrepreneurship drives its technological advancements in membranes, commercialisation of applications, project management and O&M. The Group differentiates itself from its competitors by providing a full spectrum of water treatment-related services and offering a one-stop infrastructure solution to its clients through the following business strategies:

Expanding its Municipal and Industrial Portfolio with Innovative Solutions

Innovation is crucial to the Group's business and the Group is committed to enhancing its suite of technologies in the municipal and industrial water segments to drive resource efficiency and recovery. As a top global desalination plant developer, the Group has expanded its portfolio beyond water into the power and waste-to-energy sectors. This is in line with global trends towards sustainable cities. With rapid urbanisation and growth of megacities, the pressure on the environment, water and energy resources, and sanitation will be tremendous. New opportunities will become available as cities increasingly recognise the need to embrace a sustainable, integrated approach to urban development and resource management. The Group's approach in providing integrated water and power solutions can help cities draw on the synergies between water, energy and waste management so that resources and land use can be optimised.

The Group strives for continuous innovation in design, techniques and processes as well as invests in the development of new products and technologies to deliver better performance efficiency and reliability, and to anticipate tomorrow's challenges. In June 2014, the Group launched the Floating Desalination Production Vessel at the Singapore International Water Week. The vessel is equipped with a comprehensive desalination facility on board that draws on the Group's expertise in design, engineering and installation. For coastal regions where land is limited or where short-term water solutions are required, mobile floating desalination plants offer a quick and flexible alternative to land-based desalination plants.

To enhance the operational efficiency of the Tuaspring Desalination Plant, a 411 MW on-site combined cycle gas turbine power plant was integrated with the desalination plant. The power plant supplies electricity to the desalination plant, and will in turn draw cooling water from the desalination plant to condense the steam in the turbine and cool auxiliary services. The strategic integration of water and power in this project marks the Group's entry into the

global integrated water and power project segment. With the Tuaspring project as reference plant, the Group secured the Ain Sokhna Integrated Water and Power Project in Egypt in March 2016.

The TuasOne waste-to-energy project will be Singapore's largest waste-to-energy plant and will showcase the Group's ability to put together an innovative solution that Singapore can be proud of, setting new benchmarks for land utilisation and energy recovery efficiency for Singapore. With the growing importance of resource optimisation to urban cities and industries, the development of alternative sources of water as well as the recovery of energy from waste has become crucial. The Group's business is evolving in response to this global trend. The Group is committed to delivering sustainable and innovative environmental solutions for municipalities and industries worldwide to address the global resource challenge.

To exemplify its ability to provide quick and cost-effective innovative solutions as well as its expertise in designing high specification plants for industrial customers, the Group won a contract to supply a containerised desalination solution and another contract to supply a SWRO and sulphate removal facilities package in Kingdom of Saudi Arabia. Both projects are expected to be completed within the span of a year.

Backed by its membrane technology R&D Centre in Singapore, one of the largest in Asia outside of Japan, the Group ensures that the development of cutting-edge technologies remains its key driver to spearhead sustainable growth for the Group.

Through its in-house research or collaboration with reputable institutions worldwide, the Group leverages on its membrane technologies to develop a comprehensive range of membrane products and membrane systems to provide environmentally-friendly solutions to a wide range of applications in water treatment and industrial manufacturing processing. The Group's dedicated, multi-disciplinary team of experts works closely with its clients around the world, who are facing challenges ranging from waste treatment to product recovery. Its researchers evaluate the economies and science of its clients' process efficiencies and the suitability of introducing its membrane technologies into their processes.

The Group's outstanding performance in R&D has been widely recognised. For example, the Group was awarded the Asia Pacific Water Technology Company of the Year from Frost and Sullivan in 2011, 2013 and 2014. For more information on the Group's awards and accolades, please refer to the sub-section "*Awards and Accolades*" in this paragraph 9 of Part IV "**Key information – Information on the Relevant Entity**" of this Sixteenth Schedule section.

The Group will continue to invest heavily in innovation and in high value-added membrane manufacturing processes. Currently, it has a manufacturing hub located at Tuas in Singapore, with over 70,000 square metres to house its key membrane manufacturing activities.

In July 2012, the Group officially unveiled its new global headquarters, the Hyflux Innovation Centre, in Bendemeer Road, Singapore. Besides serving as the executive and corporate offices of the Group, the Hyflux Innovation Centre also houses expanded engineering, design and technology commercialisation facilities. The Hyflux Innovation Centre adopts "green" and "intelligent" features and received the Solar Pioneer Award from Singapore's Energy Innovation Programme Office and Energy Market Authority for its efforts to harvest renewable energy for common areas of the building. It also received the Green Mark Platinum Award from Singapore's Building & Construction Authority for incorporating best practices in environmental design and construction, and for adopting green building technologies.

As part of the Group's efforts to expand its engineering capabilities, it opened an Engineering Resource Centre in Pune, India in 2013 to support its global operations and long-term growth. The Engineering Resource Centre will provide engineering services for the Group's projects around the world.

Developing, financing and structuring of assets

As a single one-stop provider of a comprehensive suite of services for water and infrastructure assets, the Group is not only competent technically, but also has the capability to originate and develop assets. The Group works very closely with its partners and financing institutions to finance these assets through optimised structures that meet both its asset-light business model, as well as the return requirements of its partners. The listing of Hyflux Water Trust ("HWT") and the subsequent formation of Galaxy Newspring Pte Ltd ("**Galaxy**") with its joint venture partner, Mitsui Co., Ltd ("**Mitsui**"), are examples of the structuring capability of the Group. As part of the Group's financing and structuring strategy, the Group works with major financial institutions for long-term limited or non-recourse financing, and also seeks strategic joint venture partnerships.

Design & development and systems assembly

The Group has continuously built a core team that spearheads the upscaling of its separation solutions to a commercial level to excel in the global arena. Such efforts entail the development of a pilot plant, skid design, construction and testing either shipped on-site to its clients' premises or conducted in its laboratories at the clients' requests.

Having designed and installed over 1,300 membrane products and systems in over 400 locations across the globe, the Group's dedicated team of environmental specialists will be able to advise on and evaluate all aspects of the system process together with its clients. The Group's expertise includes process design and optimisation, electrical and instrumentation control, conducting concept/feasibility studies, risk management, performing audits and conducting performance guarantee tests for water treatment facilities on-site. As part of the suite of services, the Group is also able to construct pilot plants and conduct trials for its clients to check the suitability of membrane types and the system configuration in any specified application before actual installation. The Group's pilot plants are designed to be highly portable for instant on-site tests.

After the design and development phase, the team will begin assembling the systems to the specified requirements. The specialised components, including the Group's proprietary Kristal[®] UF membranes, are manufactured in-house, to ensure that these meet the specifications of the order, while the more generic components will be purchased from third-party suppliers. The benefit of an in-house systems assembly process is that it enables the Group to guarantee quality and on-time delivery. The Group's systems assembly and production facilities are ISO-certified and located in Singapore.

Overall project management

Having built over 40 plants in the PRC, Singapore and Algeria, the Group's project management team has the experience and the expertise in defining, planning, implementing and integrating every aspect of a client's comprehensive programme while ensuring that deadlines, costs, quality and safety are met.

The Group's team of professional designers, engineers, procurement specialists and construction managers are dedicated in delivering its major turnkey projects on time and on budget. As a testimony to its desalination leadership, the Group has built some of the world's largest SWRO desalination plants:

- Tuaspring Desalination Plant (318,500 m³/day), in Tuas, Singapore, which is Singapore's second and largest seawater desalination plant, with an onsite 411 MW power plant;
- SingSpring Desalination Plant (136,380 m³/day), in Tuas, Singapore, which is Singapore's first seawater desalination plant;
- Tianjin Dagang Desalination Plant, the PRC's largest SWRO desalination plant (100,000 m³/day), in Dagang district, Tianjin province, the PRC;
- Souk Tleta Desalination Plant (200,000 m³/day), in Tlemcen, Algeria; and
- Magtaa Desalination Plant (500,000 m³/day), in Magtaa, Algeria.

Growing Recurring Income to Build a Sustainable Business

Over the years, the Group has been developing and growing predictable and recurring revenues from O&M services, asset returns and membrane sales.

Operating over 30 water, wastewater, water recycling and desalination plants worldwide, the Group's O&M order book was about S\$2 billion as at the end of 2015. With the successful commissioning of the Tuaspring power plant, the Group has also added power O&M capabilities to its portfolio. As the Group looks to secure more projects worldwide, its O&M order book is expected to increase over the years.

In addition to its municipal and industrial focus, the Group is building up its consumer segment which will contribute to recurring income. In 2015, the Group acquired a 50 per cent. stake in PT Oasis Waters International ("**PT Oasis**"), which holds the second largest share of the bottled water and gallon water market in Indonesia. With Indonesia's population size and reliance on bottled water for daily drinking needs, this investment will not only contribute to the future income of the Group but also provide access to an established distribution platform to consumers in Indonesia.

The Group has recently entered the wellness industry with the introduction of a product line based on highly oxygenated water sold under the ELO brand, further expanding its consumer market portfolio. In line with continuous technological innovation and to promote well-being, the ELO line of water products was founded on more than 10 years of research in water science and technology pioneered by Kaqun Europe Zrt ("**Kaqun Europe**") and optimised with proprietary technology and expertise from Hyflux. Initial anecdotal evidence from individuals who have tried ELO drinking water is very encouraging, and we are embarking on clinical trials to establish stronger statistical evidence of its benefits. By leveraging on its expertise in water, the Group looks forward to bringing continuous innovation to this line of products to improve the well-being of consumers.

Expanding Global Footprint

The Group currently has more than 1,300 membrane products and systems installed in over 400 locations worldwide. Headquartered in Singapore, the Group has offices set up in the PRC, India, Oman, Saudi Arabia, Algeria, Nigeria and Mexico. The Group will continue to focus on key target markets in Asia, the MEA and the Americas to seize opportunities for growth.

The Group has established a solid presence in the MEA region, with two large-scale desalination projects in Tlemcen and Magtaa, Algeria. The former started operations in April 2011, while the latter was officially opened in November 2014. The award of the S\$95 million

design and construct contract for a membrane-based seawater desalination facility for the Salalah IWPP in Oman in 2009 launched its entry into the IWPP vertical. This project, which was completed in 2012, has laid the foundation for the Group to improve its penetration in the Middle East, and positioned the Group for new IWPPs and for the retrofitting of aging thermal desalination plants with membrane technology for more efficient and optimal operations. In December 2014, the Group, as part of a consortium, received a letter of award to design, build, operate and maintain an independent water project, the Qurayyat IWP, with a designed capacity of 200,000 m³/day in Qurayyat, Sultanate of Oman, from OPWP. Construction for this plant is currently underway, and the Group is on track to deliver the plant to its client as scheduled in 2017.

In 2014, the Group signed a joint venture agreement with Tolaram Corporation, a Singapore-based multi-industry company, to explore opportunities for the development of membrane-based water treatment plants in Nigeria.

In 2016, the Group received a formal letter of award for a contract by the General Authority for the Suez Canal Economic Zone to construct the Ain Sokhna Integrated Water and Power Project in Egypt. This combination desalination and power plant EPC contract is valued at US\$500 million, with construction slated to commence following finalisation of contract terms. A 25-year O&M contract will be awarded to Hyflux for this project.

The Group's home market, Singapore, offers exciting opportunities for water reclamation and desalination from both the public and private sectors as the country seeks self-sufficiency for its water needs. The Group has been an active participant in all four of Singapore's National Water Taps. It recently completed a 68,000 m³/day MBR plant for PUB, the national water agency. In addition, the Group designed, built, owns and operates Singapore's two SWRO desalination plants which can meet up to 25 per cent. of Singapore's current water demand. In September 2015, the Group, together with its consortium partner Mitsubishi Heavy Industries, signed a Waste-to-Energy Services Agreement with the National Environment Agency of Singapore, to develop Singapore's sixth waste-to-energy plant and will provide waste-to-energy services over a 25-year period. When completed in 2019, this will be Singapore largest incineration plant at 3,600 tonnes per day capacity, and will generate 120 MW of clean and renewable electricity. It will have one of the best land utilisation factors in terms of incineration capacity per unit floor area, and will also be one of the most efficient in the world in terms of energy recovery per unit waste incinerated.

Asset management and strategic partnerships

The asset management approach taken by the Group has enabled it to strengthen its competitive position in the global marketplace. This is accomplished by unlocking the intrinsic value of its water assets to ensure optimal capital structure and to provide the financial flexibility for long-term business growth. Forming partnerships to accelerate capital growth is also part of this growth strategy.

These include collaborations with Japan Bank for International Cooperation ("**JBIC**") and joint ventures with Mitsui and JGC Corporation of Japan ("**JGC**"). These synergistic partnerships explore growth opportunities in the Group's key markets in Asia, the Middle East and selective markets in Africa to expand its market share in the global water industry.

– Asset management

In 2007, the Group divested SingSpring Pte Ltd ("**Singspring**") to a business trust, Singspring Trust. Singspring is the owner of the SingSpring Desalination Plant, the first seawater desalination plant in Singapore, and it has entered into a 20-year water

purchase agreement with PUB, Singapore. The Group holds 30 per cent. of the units in the Singspring Trust. This trust structure is a good springboard to realise the Group's asset-light strategy.

In 2009, the Group entered into a 50:50 joint venture with leading global engineering company, JGC, to develop, invest and manage water projects in the PRC, including the Tianjin Dagang Seawater Desalination Plant.

In 2010, the Group entered into a 50:50 strategic joint venture with Mitsui to originate, invest, develop, construct, operate and maintain water plants in the PRC. By combining the complementary strengths of the Group and Mitsui – the Group's fully integrated water solutions and strong track record and experience in the PRC, and Mitsui's entrenched global network, comprehensive infrastructure services and robust capital structure – the joint venture company, Galaxy, forms a powerful platform to accelerate investments in developing critical infrastructure to meet the PRC's needs for clean, safe and affordable water. Galaxy currently owns and operates more than 20 water plants in the PRC.

In June 2015, the Group entered into a partnership with Tuspark Technology Services Investment Ltd ("**Tuspark TSI**") to set up an investment holding company in which the Group holds a 25 per cent. shareholding interest and Tuspark TSI holds the remaining 75 per cent. shareholding interest. This investment holding company in turn holds five water plants in the PRC that were developed by the Group.

– Strategic partnerships with local partners

The Group enters into joint venture agreements with local partners and government companies to hold and operate water related assets. The involvement of local partners strengthens the joint venture companies by providing capital, local knowledge and contacts. The Group remains the sole supplier of its proprietary membrane technology as well as its EPC works.

Developing its people

To enter into the next phase of growth, the Group focuses on recruiting, engaging, motivating and retaining individuals whose skills, aspirations and values are aligned with the Group's strategic vision and core values. The Group employs some 2,500 employees around the world. The Group's team is a global, diverse and passionate group unified by the desire to provide environmental solutions that mitigate global water scarcity and the depletion of natural resources. The Group recognises that its employees are the foundation of its business. It believes in creating an inclusive workplace where employees are given opportunities to develop their careers and capabilities.

The Group has a strong management team and the right people on the ground to take the Group to the next level of its development. The Group's continuing motivation is to provide opportunities for its people to raise their knowledge and their skills in order to create new value for the Group.

Capitalising on opportunities

The Group will continue to focus on project delivery and continuous improvements in productivity. Innovation in membrane and process technology and in new applications will be on-going as it seeks solutions to meet the varying needs of its clients. At the same time, the Group will forge into new markets with its strategic partners.

AWARDS AND ACCOLADES

The Group has been honoured with numerous awards and accolades for business excellence and technological innovation.

In 2015:

- Global Water Intelligence U.K. – “Highly Commended, Desalination Plant of the Year – Magtaa Desalination Plant”

In 2014:

- Frost & Sullivan – “Asia Pacific Water Technology Company of the Year 2014”
- Global Water Intelligence U.K. – “Distinction, Desalination Plant of the Year – Tuaspring Desalination Plant”

In 2013:

- Frost & Sullivan – “Asia Pacific Water Technology Company of the Year 2013”

In 2012:

- Global Water Intelligence U.K. – “Highly Commended, Desalination Plant of the Year – Souk Tleta Desalination Plant”

In 2011:

- Frost and Sullivan – “Water Technology Company of the Year Award 2011”
- SIAS Investors’ Choice Awards – Runner Up – “Most Transparent Company Award 2011”

In 2010:

- Frost and Sullivan – “Water Technology Company of the Year Award 2010”
- Global Water Intelligence U.K. – “Distinction – Desalination Company of the Year”
- Global Water Intelligence U.K. – “Highly Commended, Desalination Deal of the Year – Magtaa Desalination Plant”
- Global Water Intelligence U.K. – “Highly Commended, Desalination Plant of the Year – Tianjin Dagang Desalination Plant”

- (c) the general development of the business from the beginning of the period comprising the 3 most recent completed financial years to the latest practicable date, indicating any material change in the affairs of the relevant entity or the group, as the case may be, since –
- (i) the end of the most recent completed financial year for which financial statements of the relevant entity have been published; or
 - (ii) the end of any subsequent period covered by interim financial statements, if interim financial statements have been published;

With more than 25 years of experience, the Group has achieved a number of key milestones, including landmark project wins, acquisitions, industry firsts and world records. The following are significant developments of the business in the Group's history:

Significant Event(s)	
Year 2016	
April	<p>The Group received a formal letter of award for the Ain Sokhna integrated water and power project in Egypt by the General Authority for the Suez Canal Economic Zone. The value of the EPC contract is US\$500 million.</p> <p>The desalination plant has a designed capacity 150,000 m³/day and an on-site 457 MW combined cycle gas turbine power plant.</p> <p>The project marks Hyflux's entry into the Egyptian market and will be the Group's first integrated water and power project outside of Singapore. Under the letter of award, Hyflux will be the EPC contractor as well as the O&M service provider over the 25-year concession period.</p>
January	<ol style="list-style-type: none"> 1) Hydrochem Saudi Ltd, a wholly-owned subsidiary of the Group, was awarded a contract by Snamprogetti Saudi Arabia Co Ltd, a subsidiary of Saipem S.p.A. to design, manufacture and supply a seawater reverse osmosis and sulphate removal facilities package in Khurais, Saudi Arabia. The project value is approximately US\$50.4 million. 2) On 7 January 2016, Hyflux updated its S\$1,500,000,000 multicurrency debt issuance programme established on 3 July 2008, pursuant to which Hyflux may issue notes and/or perpetual capital securities from time to time.

Year 2015

November	<ol style="list-style-type: none">1) Hyflux expanded its consumer portfolio by signing an agreement to eventually acquire a 30 per cent. stake in a consumer water technology company, Kaqun Europe for US\$8 million. Hyflux will integrate its proprietary technology together with Kaqun Europe for a product line that it has exclusive rights to manufacture, sell, market and distribute under the brand name ELO in Asia Pacific and the MEA, through a newly established entity called ELO Water Pte Ltd (“Elo”). Hyflux Consumer Products Pte Ltd (“Hyflux Consumer”) will own a 70 per cent. stake in Elo while Kaqun Europe will own the remaining 30 per cent. The application of Hyflux’s expertise will help to optimise the efficacy of the water and scale up the business.2) Hyflux entered into a joint venture agreement with PT Gunawan Sejahtera for the acquisition by Hyflux Consumer of 50 per cent. equity interest of PT Oasis from PT Gunawan Sejahtera.
September	<p>The Group, together with its consortium partner Mitsubishi Heavy Industries (“MHI”), was named the preferred bidder by Singapore’s National Environment Agency (“NEA”) to develop a WTE plant in Tuas under a Design-Build-Own-Operate scheme and to provide waste treatment services exclusively to NEA for a period of 25 years. The new WTE plant, Singapore’s sixth plant, will be able to process 3,600 tonnes of waste per day and generate 120 MW of clean and renewable electricity. The project, valued at an estimated S\$750 million, is expected to be completed by 2019. The Group and MHI will respectively hold 75 per cent. and 25 per cent. of the shares in the project company. The WTE services agreement was signed in October 2015.</p>
June	<ol style="list-style-type: none">1) The Group entered into a shareholders’ agreement with Tuspark TSI, a subsidiary of TUS-Holdings Co., Ltd. (“TUS-Holdings”), to set up an investment holding company. The Group have a 25 per cent. stake in the investment holding company which is intended to hold strategic investments in water projects in the PRC, including five (5) water plants divested by the Group.2) The Group was awarded a contract worth about US\$48 million from the state-owned Saline Water Conversion Corporation (“SWCC”) to design, build and supply a containerised desalination system with a total designed capacity of 30,000 m³/day to the Kingdom of Saudi Arabia. The containerised desalination system will be one of the largest of its kind and augment the existing Yanbu Desalination Plant’s capacity.

March	The Group was formally awarded the Qurayyat IWP from the government-owned OPWP, following the signing of the water purchase agreement between OPWP and Qurayyat Desalination SAOC.
Year 2014	
December	<p>The Group received a letter of award for an international tender to design, build, own and operate the Qurayyat IWP from the government-owned OPWP.</p> <p>The SWRO project has a designed capacity of 200,000 m³/day and is scheduled to commence commercial operation by May 2017 under a 20-year water purchase agreement with OPWP.</p>
November	The Group officially opened the Magtaa Desalination Plant, the largest SWRO desalination plant in Algeria and on the African continent. Magtaa Desalination Plant features the largest UF pre-treatment facility in the world. It has the capacity to desalinate seawater at 500,000 m ³ /day. The plant uses Hyflux's proprietary UF technology for the desalination pre-treatment process and RO membrane technology.
July	Hyflux issued S\$175 million in aggregate principal amount of perpetual capital securities callable in 2016.
June	<ol style="list-style-type: none"> 1) The Group and Mexico's leading infrastructure bank, Banco Interacciones ("Interacciones"), signed a memorandum of understanding for water projects in Mexico. The collaboration is on a sole and exclusive basis to explore early stage and pre-specified greenfield water-related and infrastructure projects. 2) The Group divested Hyflux Innovation Centre to Ascendas Real Estate Investment Trust for S\$170 million as part of its capital recycling strategy. The Group remains the major tenant of Hyflux Innovation Centre under a 15-year leaseback agreement. 3) The Group launched its Floating Desalination Production Vessel at the Singapore International Water Week.
March	<ol style="list-style-type: none"> 1) The Group signed a joint venture agreement with Tolaram Corporation, a Singapore-based multi-industry company, to explore opportunities for the development of membrane-based water treatment plants in Nigeria. 2) The Group divested its joint venture with Marmon Water (Singapore) Pte Ltd as part of its capital recycling strategy, and because the joint venture is non-integral to its realigned product focus and existing suite of consumer products.
January	Hyflux issued S\$300 million in aggregate principal amount of perpetual capital securities callable in 2017.

Year 2013

September	The Group officially opened the Tuaspring Desalination Plant, Singapore's second and largest SWRO desalination plant. With a capacity of 318,500 m ³ /day, the Tuaspring Desalination Plant is one of the largest seawater desalination plants in the world and uses Hyflux's proprietary Kristal [®] UF membrane technology for its desalination pre-treatment.
August	Zunyi Wastewater Treatment Plant in Zunyi City, Guizhou Province in the PRC commenced operations.
February	India's largest membrane-based water recycling plant (40,000 m ³ /day), in Surat's Pandesara Industrial Estate in the state of Gujarat, was opened by then Chief Minister Narendra Modi. The technology package was supplied by the Group.
January	The Group, together with its consortium partner, Hitachi, finalised and signed a water purchase agreement with DSL for a SWRO desalination plant with a capacity of 336,000 m ³ /day in Dahej, Gujarat state, India.

Save as disclosed in this Offer Information Statement, there has been no material change in the affairs of the Issuer or the Group, taken as a whole since 31 March 2016 to the Latest Practicable Date.

(d) the equity capital and the loan capital of the relevant entity as at the latest practicable date, showing –

- (i) in the case of the equity capital, the issued capital; or**
- (ii) in the case of the loan capital, the total amount of the debentures issued and outstanding, together with the rate of interest payable thereon;**

As at the Latest Practicable Date, the equity capital of the Issuer is as follows:

Share capital – issued and fully paid	S\$214,688,552.56
Number of issued and paid-up ordinary shares (including treasury shares)	864,530,989

As at the Latest Practicable Date, the total amount of perpetual preference shares issued by the Issuer and outstanding is as follows:

Securities	Amount issued and outstanding	Distribution rate
Perpetual preference shares	S\$400,000,000	6.00 per cent.

As at the Latest Practicable Date, the total amount of perpetual capital securities issued by the Issuer and outstanding is as follows:

Securities	Amount issued and outstanding	Distribution rate
Perpetual capital securities	S\$175,000,000	4.80 per cent.
Perpetual capital securities	S\$300,000,000	5.75 per cent.

As at the Latest Practicable Date, the loan capital of the Issuer is as follows:

Securities	Amount issued and outstanding	Interest rate
<i>The following securities were issued by the Issuer and are outstanding as at the Latest Practicable Date:</i>		
Unsecured fixed rate notes due 2016	S\$100,000,000	3.50 per cent.
Unsecured fixed rate notes due 2018	S\$100,000,000	4.25 per cent.
Unsecured fixed rate notes due 2019	S\$ 65,000,000	4.60 per cent.
Unsecured fixed rate notes due 2019	S\$100,000,000	4.20 per cent.

(e) where –

- (i) **the relevant entity is a corporation, the number of shares of the relevant entity owned by each substantial shareholder as at the latest practicable date; or**
- (ii) **the relevant entity is not a corporation, the amount of equity interests in the relevant entity owned by each substantial interest-holder as at the latest practicable date;**

As at the Latest Practicable Date, the number of shares held by the substantial shareholder, as shown in the Register of Substantial Shareholders, is as follows:

Substantial Shareholder	Number of ordinary shares in which substantial shareholder has a direct interest	Number of ordinary shares in which substantial shareholder is deemed to have an interest	%
Olivia Lum Ooi Lin	267,351,211	–	34.05

- (f) **any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgement of the offer information statement, a material effect on the financial position or profitability of the relevant entity or, where the relevant entity is a holding company or holding entity of a group, of the group;**

As at the date of this Offer Information Statement, the Directors are not aware of any legal or arbitration proceedings or which is pending or known to be contemplated, which may have or which have had in the 12 months immediately preceding the date of lodgement of this Offer Information Statement, a material effect on the financial position or profitability of the Issuer or the Group.

(g) where any securities or equity interests of the relevant entity have been issued within the 12 months immediately preceding the latest practicable date –

(i) if the securities or equity interests have been issued for cash, state the prices at which the securities have been issued and the number of securities or equity interests issued at each price; or

No securities or equity interests have been issued by the Issuer for cash within the 12 months immediately preceding the Latest Practicable Date.

As at the Latest Practicable Date, the Issuer's issued and paid-up ordinary share capital was S\$214,688,552.56 comprising 864,530,989 ordinary shares (comprising of 785,284,989 shares plus 79,246,000 treasury shares).

No share options of the Issuer were granted for cash during the 12 months immediately preceding the Latest Practicable Date.

(ii) if the securities or equity interests have been issued for services, state the nature and value of the services and give the name and address of the person who received the securities or equity interests; and

The Issuer has not issued any securities or equity interests in return for services (in the sense of services provided by a service provider as opposed to services provided in the course of employment) within the 12 months immediately preceding the Latest Practicable Date.

For the avoidance of doubt, within the 12 months immediately preceding the Latest Practicable Date, the Issuer has not granted any share options pursuant to its employee share option scheme.

(h) a summary of each material contract, other than a contract entered into in the ordinary course of business, to which the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any member of the group is a party, for the period of 2 years immediately preceding the date of lodgement of the offer information statement, including the parties to the contract, the date and general nature of the contract, and the amount of any consideration passing to or from the relevant entity or any other member of the group, as the case may be.

Neither the Issuer nor any of its subsidiaries has entered into any material contracts outside the ordinary course of business for the period of two years immediately preceding the date of lodgement of this Offer Information Statement.

PART V – OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Operating Results

1. Provide selected data from –

- (a) the audited income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the audited consolidated income statement of the relevant entity or the audited combined income statement of the group, for each financial year (being one of the 3 most recent completed financial years) for which that statement has been published; and
- (b) any interim income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any interim consolidated income statement of the relevant entity or interim combined income statement of the group, for any subsequent period for which that statement has been published.

Please refer to Appendices B to E of this Offer Information Statement.

2. The data referred to in paragraph 1 of this Part shall include the line items in the audited income statement, audited consolidated income statement, audited combined income statement, interim income statement, interim consolidated income statement or interim combined income statement, as the case may be, and shall in addition include the following items:

- (a) dividends declared per share in both the currency of the financial statements and the Singapore currency, including the formula used for any adjustment to dividends declared;
- (b) earnings or loss per share; and
- (c) earnings or loss per share, after any adjustment to reflect the sale of new securities.

Q1 FY2016	
Dividends declared per share	Not applicable
Number of shares (excluding treasury shares) in issue as at 31 March 2016	785,284,989
Loss per share	0.64 cents
Loss per share, after adjustment to reflect the sale of new Securities	1.60 cents ⁽¹⁾

FY2015	
Dividends declared per share	1.70 cents
Number of shares (excluding treasury shares) in issue as at 31 December 2015	785,284,989
Loss per share	1.05 cents
Loss per share, after adjustment to reflect the sale of new Securities	4.79 cents ⁽¹⁾

Note:

(1) Assuming S\$500,000,000 in aggregate principal amount of Securities is issued under the Offer.

Please refer to Appendices B to E of this Offer Information Statement.

3. In respect of –

- (a) each financial year (being one of the 3 most recent completed financial years) for which financial statements have been published; and**
- (b) any subsequent period for which interim financial statements have been published,**

provide information regarding any significant factor, including any unusual or infrequent event or new development, which materially affected profit or loss before tax of the relevant entity or, if it is the holding company or holding entity of a group, of the group, and indicate the extent to which such profit or loss before tax of the relevant entity or the group, as the case may be, was so affected. Describe any other significant component of revenue or expenditure necessary to understand the profit or loss before tax for each of these financial periods.

Q1 FY2016 compared with Q1 FY2015

Total revenue for Q1 FY2016 increased from S\$60.4 million for Q1 FY2015 to S\$248.3 million, contributed mainly by the TuasOne WTE project and Qurayyat IWP. On gross profits, the Group reported an increase of 48 per cent. from S\$39.6 million in Q1 FY2015 to S\$58.7 million in Q1 FY2016.

The Group achieved profit after tax and non-controlling interest (“**PATMI**”) of S\$7.3 million in Q1 FY2016, an increase of 30 per cent. from S\$5.6 million in Q1 FY2015. The higher PATMI was mainly contributed by the constructions of TuasOne WTE plant and Qurayyat IWP.

Other Income in Q1 FY2016 was lower at S\$10.3 million, due to a one-off disposal gain in Q1 FY2015 of S\$15.8 million on one of the Group’s leasehold buildings in PRC. In Q1 FY2016, other income comprised mainly incentives income recognised by the Group as a market-making participant to the Singapore Electricity Futures Market.

Basic and diluted loss per share was 0.64 cents for Q1 FY2016 compared to the basic and diluted loss per share of 0.83 cents for Q1 FY2015. Both basic and diluted loss per share were adjusted for dividends on perpetual preference shares and perpetual capital securities.

Sector Review

The municipal sector continued to be the main contributor to the Group’s revenue, accounting for 95 per cent. or S\$238.4 million of the total revenue in Q1 FY2016. For Q1 FY2015, the municipal sector contributed 84 per cent. at S\$51.1 million.

Revenue from the industrial sector made up 4 per cent. or S\$9.1 million of the Group’s revenue in Q1 FY2016, decreased from 15 per cent. or S\$9.0 million for Q1 FY2015.

Geographical Review

The Singapore market remained the key contributor to the Group’s revenue, amounting to 70 per cent. and 64 per cent. of the Group’s total revenues in Q1 FY2016 and Q1 FY2015, respectively. TuasOne WTE project is the main driver to Q1 FY2016 revenue.

Revenue from the Middle East and North Asia (“**MENA**”) region rose to 25 per cent. or S\$63.0 million from 11 per cent. or S\$6.5 million in Q1 FY2015, largely due to contributions from the Qurayyat IWP.

The Group's China market contributed 4 per cent. or S\$9.7 million to the total revenue in Q1 FY2016, from 11 per cent. or S\$7.2 million in Q1 FY2015. The rest of the world (countries other than Singapore, the MENA and the PRC) accounted for 1 per cent. or S\$0.5 million in Q1 FY2016, a decrease from 14 per cent. or S\$8.2 million in Q1 FY2015.

FY2015 compared with FY2014

Total revenue for FY2015 increased by 39 per cent. from S\$321.4 million for FY2014 to S\$445.2 million, contributed mainly by the Qurayyat IWP and a containerised desalination system to augment the existing Yanbu Desalination Plant. For more information on the Qurayyat IWP and the Yanbu Desalination Plant, refer to paragraphs 9(b) and 9(c) of Part IV "**Key Information – Information on the Relevant Entity**" of this Sixteenth Schedule section.

The Group's gross profits increased by 40 per cent. to S\$221.0 million in FY2015 from S\$157.5 million in FY2014.

The Group achieved a PATMI of S\$41.3 million in FY2015, a decrease of 28 per cent. from S\$57.5 million in FY2014. The lower PATMI was mainly due to a lower level of divestment activities in FY2015 compared to FY2014.

Divestment activities in FY2014 generated gains of S\$103.8 million from the sale and leaseback of Hyflux Innovation Centre, and S\$54.1 million gain from the disposal of the Hyflux Marmon Development Pte Ltd, a joint venture, as well as Marmon Hyflux Investments Pte Ltd, an associate company of Hyflux (collectively as "**Marmon entities**"), contributing to other income of S\$170.0 million. In comparison, other income in FY2015 was lower at S\$72.6 million. This comprised a disposal gain of S\$15.8 million on one of the Group's leasehold buildings in the PRC, a gain from the acquisition of Hyflux Filtech (Shanghai) Co., Ltd and Hyflux Unitech (Shanghai) Co., Ltd (collectively as "**Filtech entities**") of S\$5.5 million, provisional fair value remeasurement gain of S\$12.3 million from the Group's acquisition of its remaining 50 per cent. equity stake in H.J. Newspring Limited, the holding company of Tianjin Dagang NewSpring Co., Ltd; as well as incentives income recognised by the Group as a market-making participant to the Singapore Electricity Futures Market.

Basic and diluted loss per share was 1.05 cents for FY2015 compared to the basic and diluted earnings per share of 1.66 cents for FY2014. Both basic and diluted loss per share were adjusted for dividends on perpetual preference shares and perpetual capital securities.

Sector Review

The municipal sector continued to be the main contributor to the Group's revenue, accounting for 94 per cent. or S\$419.1 million of the total revenue in FY2015. For FY2014, the municipal sector contributed 84 per cent. at S\$269.9 million.

Revenue from the industrial sector made up 5 per cent. or S\$24.1 million of the Group's revenue in FY2015, decreased from 14 per cent. or S\$46.4 million for FY2014.

Geographical Review

The geographical mix for the year shifted from Singapore to the MENA reflecting activities level in these regions.

Revenue contributions from the MENA region rose to 39 per cent. or S\$176.0 million from 7 per cent. or S\$21.2 million in FY2014, due to contributions from the Qurayyat IWP and the containerised desalination system project in Saudi Arabia.

With the substantial completion of the Tuaspring plant construction, the Singapore market contribution reduced to 38 per cent. or S\$168.9 million in FY2015, down from 72 per cent. or S\$232.6 million in FY2014.

The Group's PRC market contributed 20 per cent. or S\$88.1 million to the total revenue in FY2015, an increase from 15 per cent. or S\$47.9 million in FY2014, contributed mainly by the divestments of five water assets during the year.

The rest of the world (countries other than Singapore, the MENA and the PRC) accounted for 3 per cent. or S\$12.2 million in FY2015, a decrease from 6 per cent. or S\$19.7 million in FY2014.

FY2014 compared with FY2013

The Group achieved a PATMI of S\$57.5 million for FY2014, an increase from S\$44.0 million for FY2013. Total revenue for FY2014 was S\$321.4 million, a 40 per cent. decline from FY2013 of S\$535.8 million mainly due to the timing of project construction activities following the completion of Tuaspring desalination plant, and the slower than anticipated commencement of the Dahej project. On gross profits, the Group reported S\$157.5 million in FY2014 compared to S\$268.5 million in FY2013.

In FY2014, the Group entered into a sale and leaseback agreement on its building, Hyflux Innovation Centre, and disposed of its investments in Marmon entities, to Marmon Water (Singapore) Pte Ltd, recognising gains amounting to S\$103.8 million and S\$54.1 million, respectively. These were collectively reported in other income of S\$170.0 million and contributed to the increase from S\$10.2 million in FY2013.

Basic and diluted earnings per share was 1.66 cents for FY2014 (adjusted for dividends on preference shares and perpetual capital securities), compared to the basic and diluted earnings per share of 2.42 cents for FY2013 (adjusted for dividends on preference shares).

Sector Review

The municipal sector continued to be the main contributor to the Group's revenue, accounting for 84 per cent. of the total revenue in FY2014. For FY2013, the municipal sector contributed 93 per cent.

Revenue from the industrial sector made up 14 per cent. of the Group's revenue in FY2014, increased from 5 per cent. in FY2013 as the Group focused on the design and supply of technology packages for various water treatment solutions.

Geographical Review

The Singapore market remained the key contributor to the Group's revenue, amounting to 72 per cent. and 83 per cent. of the Group's total revenues in FY2014 and FY2013 respectively.

The Group's PRC market contributed 15 per cent. to the total revenue in FY2014, an increase from 9 per cent. in FY2013. Revenue from MENA accounted for 7 per cent. in FY2014, an increase from 4 per cent. in FY2013.

Financial Position

4. Provide selected data from the balance sheet of the relevant entity or, if it is the holding company or holding entity of a group, the group as at the end of –
- (a) the most recent completed financial year for which audited financial statements have been published; or
 - (b) if interim financial statements have been published for any subsequent period, that period.

Please refer to Appendices C and E of this Offer Information Statement.

5. The data referred to in paragraph 4 of this Part shall include the line items in the audited or interim balance sheet of the relevant entity or the group, as the case may be, and shall in addition include the following items:
- (a) number of shares after any adjustment to reflect the sale of new securities;
 - (b) net assets or liabilities per share; and
 - (c) net assets or liabilities per share after any adjustment to reflect the sale of new securities.

	31 March 2016	31 December 2015
Number of shares (excluding treasury shares) in issue	785,284,989	785,284,989
Net asset value per share	46.8 cents	54.2 cents
Net assets per share after any adjustment to reflect the sale of new Securities	46.8 cents	54.2 cents

The issue of the Securities will have no impact on the number of shares or the net assets per share of the Issuer.

Please refer to Appendices C and E of this Offer Information Statement.

Liquidity and Capital Resources

6. Provide an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of –
- (a) the most recent completed financial year for which financial statements have been published; and
 - (b) if interim financial statements have been published for any subsequent period, that period.

In Q1 FY2016, net cash of S\$33.8 million was used in operating activities, mainly towards the Group's investments in service concession arrangement projects. Excluding cash used in these projects, net cash inflows from the Group's operating activities was S\$157.7 million.

Cash used in investing activities of S\$32.4 million in Q1 FY2016 was mainly for the 50 per cent. stake in PT Oasis injected.

Net cash used in financing activities in Q1 FY2016 amounted to S\$65.1 million mainly relating to repayments of borrowings and payments of dividends and interest during the period.

In FY2015, net cash of S\$43.7 million was used in operating activities, mainly towards the Group's investments in service concession arrangement projects. Excluding cash used in these projects, net cash inflows from the Group's operating activities was S\$84.3 million, mainly contributed by proceeds received from divestments of five (5) water assets during the year.

Cash used in investing activities of S\$103.6 million in FY2015 was mainly for additional capital expenditure as well as acquisitions of the Filtech entities, effective additional 50 per cent. stake in the Tianjin Dagang NewSpring Co., Ltd and 25 per cent. stake in Tus Water Group Limited. These outflows were partly offset by net proceeds from the disposal of one of the Group's leasehold buildings in the PRC as well as cash inflows from the liquidation of a subsidiary.

Net cash from financing activities in FY2015 amounted to S\$59.5 million mainly relating to proceeds from borrowings, partially offset by payments of dividends and interest, repayment of borrowings and purchase of treasury shares.

The Group's overall cash balance decreased from S\$444.4 million as at 31 December 2014 to S\$313.7 million as at 31 December 2015.

Please refer to Appendices D and E of this Offer Information Statement.

- 7. Provide a statement by the directors or equivalent persons of the relevant entity as to whether, in their reasonable opinion, the working capital available to the relevant entity or, if it is the holding company or holding entity of a group, to the group, as at the date of lodgement of the offer information statement, is sufficient for present requirements and, if insufficient, how the additional working capital considered by the directors or equivalent persons to be necessary is proposed to be provided.**

In the reasonable opinion of the Directors, after taking into consideration the existing bank facilities available to the Issuer and its subsidiaries and the present internal resources of the Issuer and its subsidiaries, the working capital available to the Issuer and its subsidiaries as at the date of lodgement of this Offer Information Statement is sufficient to meet its present requirements.

- 8. If the relevant entity or any other entity in the group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the relevant entity's financial position and results or business operations, or the investments by holders of securities in the relevant entity, provide –**
- (a) a statement of that fact;**
 - (b) details of the credit arrangement or bank loan; and**
 - (c) any action taken or to be taken by the relevant entity or other entity in the group, as the case may be, to rectify the situation (including the status of any restructuring negotiations or agreement, if applicable).**

To the best of the knowledge of the Directors, neither the Issuer nor any other entity in the group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the Issuer's financial position and results or business operations, or the investments by holders of securities in the Issuer.

Trend Information and Profit Forecast or Profit Estimate

9. **Discuss, for at least the current financial year, the business and financial prospects of the relevant entity or, if it is the holding company or holding entity of a group, the group, as well as any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in the offer information statement to be not necessarily indicative of the future operating results or financial condition. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.**

Business and Financial Prospects of the Group

Accessible, reliable, affordable and sustainable water supplies remain a key global challenge. Population growth, economic development, pollution and depleting water sources have resulted in many regions of the world coming under increasing water stress. With the mounting water scarcity, there is a growing appreciation of the need to better manage resources to ensure a secure water future. Such demand and supply mismatch in the water industry will drive investments in the sector, with a focus on water policy reforms, water efficiency measures and solutions such as desalination and water recycling.

With rapid urbanisation and the growth of megacities, the pressure on the environment, energy resources and sanitation will be tremendous. New opportunities are expected to become available as cities increasingly recognise the need to embrace a sustainable integrated approach to urban development and resource management. Hyflux's approach in providing integrated water and power solutions can help cities draw on the synergies between water, energy and waste so that resources and land use can be optimised.

In the last 18 months, the Group has won several projects in the Middle East and Singapore, contributing to its order book which is at a record high of S\$3.7 billion. In 2016, the Group will focus on executing this order book while continuing to pursue projects in the MEA, Americas and Parts of Asia. The Group remains cautious on the outlook for the water and energy market in 2016, amid depressed oil prices, slower economic growth and volatility in global markets. If the current challenging market landscape of low Singapore electricity prices continues, the Tuaspring power plant is expected to incur losses in 2016. As part of its asset light strategy, the Group will continue to explore divestment opportunities to recycle capital for growth.

Save as disclosed in this Offer Information Statement, the Issuer is not aware of any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in this Offer Information Statement to be not necessarily indicative of the future operating results or financial condition of the Group in respect of the current financial year.

- 10. Where a profit forecast is disclosed, state the extent to which projected sales or revenues are based on secured contracts or orders, and the reasons for expecting to achieve the projected sales or revenues and profit, and discuss the impact of any likely change in business and operating conditions on the forecast.**

No profit forecast is disclosed in this Offer Information Statement.

- 11. Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors or equivalent persons of the relevant entity have based their profit forecast or profit estimate, as the case may be.**

No profit forecast or profit estimate is disclosed in this Offer Information Statement.

- 12. Where a profit forecast is disclosed, include a statement by an auditor of the relevant entity as to whether the profit forecast is properly prepared on the basis of the assumptions referred to in paragraph 11 of this Part, is consistent with the accounting policies adopted by the relevant entity, and is presented in accordance with the accounting standards adopted by the relevant entity in the preparation of its financial statements.**

No profit forecast is disclosed in this Offer Information Statement.

- 13. Where the profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 12 of this Part –**

- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, that the profit forecast has been stated by the directors or equivalent persons of the relevant entity after due and careful enquiry and consideration; or
- (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

No profit forecast is disclosed in this Offer Information Statement.

- 14. Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 12 of this Part –**

- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or
- (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or

such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

No profit forecast is disclosed in this Offer Information Statement.

Significant Changes

15. Disclose any event that has occurred from the end of –

(a) the most recent completed financial year for which financial statements have been published; or

(b) if interim financial statements have been published for any subsequent period, that period,

to the latest practicable date which may have a material effect on the financial position and results of the relevant entity or, if it is the holding company or holding entity of a group, the group, or, if there is no such event, provide an appropriate negative statement.

Save as disclosed in this Offer Information Statement, there is no event that has occurred from 31 March 2016 to the Latest Practicable Date which may have a material effect on the Group's financial position and results.

Meaning of “published”

16. In this Part, “published” includes publication in a prospectus, in an annual report or on the SGXNET.

Noted.

PART VI – THE OFFER AND LISTING

Offer and Listing Details

- 1. Indicate the price at which the securities are being offered and the amount of any expense specifically charged to the subscriber or purchaser. If it is not possible to state the offer price at the date of lodgement of the offer information statement, the method by which the offer price is to be determined must be explained.**

The Issue Price of the Securities is S\$1 per S\$1 in principal amount of the Securities (being 100 per cent. of the principal amount of the Securities). The Public Offer Securities and Reserve Offer Securities are payable in full upon application while the Placement Securities are payable in full on or about the Issue Date unless otherwise agreed by the Issuer and the Sole Lead Manager and Bookrunner.

The expenses incurred in the Offer will not be specifically charged to subscribers for the Securities.

For each Electronic Application made through the ATMs of DBS Bank (including POSB) and OCBC Bank, a non-refundable administrative fee of S\$2 will be incurred at the point of application.

For each Internet Electronic Application made via the IB websites of DBS Bank and OCBC Bank, a non-refundable administrative fee of S\$2 will be incurred at the point of application.

For each mBanking Application made through the mobile banking interface of DBS Bank, a non-refundable administrative fee of S\$2 will be incurred at the point of application.

- 2. If there is no established market for the securities being offered, provide information regarding the manner of determining the offer price, the exercise price or conversion price, if any, including the person who establishes the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.**

The Issue Price of the Securities is S\$1 per S\$1 in principal amount of the Securities (being 100 per cent. of the principal amount of the Securities).

The Securities will confer a right to receive distribution in respect of the period from, and including, the Issue Date to, but excluding, the Step-Up Date, at 6.00 per cent. per annum, and in respect of the period from, and including, the Step-Up Date and each Reset Date falling thereafter to, but excluding, the immediately following Reset Date, at the Reset Distribution Rate. The above has been agreed between the Sole Lead Manager and Bookrunner pursuant to the Management and Placement Agreement, taking into account amongst others, the prevailing market and interest rate conditions.

- 3. If –**
 - (a) any of the relevant entity's shareholders or equity interest-holders have pre-emptive rights to subscribe for or purchase the securities being offered; and**
 - (b) the exercise of the rights by the shareholder or equity interest-holder is restricted, withdrawn or waived,**

indicate the reasons for such restriction, withdrawal or waiver, the beneficiary of such restriction, withdrawal or waiver, if any, and the basis for the offer price.

Not applicable.

4. **If securities of the same class as those securities being offered are listed for quotation on any securities exchange –**
- (a) **in a case where the first-mentioned securities have been listed for quotation on the securities exchange for at least 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities –**
 - (i) **for each of the 12 calendar months immediately preceding the calendar month in which the latest practicable date falls; and**
 - (ii) **for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date; or**

Not applicable.

- (b) **in a case where the first-mentioned securities have been listed for quotation on the securities exchange for less than 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities –**
 - (i) **for each calendar month immediately preceding the calendar month in which the latest practicable date falls; and**
 - (ii) **for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date;**

Not applicable.

- (c) **disclose any significant trading suspension that has occurred on the securities exchange during the 3 years immediately preceding the latest practicable date or, if the securities have been listed for quotation for less than 3 years, during the period from the date on which the securities were first listed to the latest practicable date; and**

Not applicable.

- (d) **disclose information on any lack of liquidity, if the securities are not regularly traded on the securities exchange.**

Not applicable.

5. **Where the securities being offered are not identical to the securities already issued by the relevant entity, provide –**
- (a) **a statement of the rights, preferences and restrictions attached to the securities being offered; and**
 - (b) **an indication of the resolutions, authorisations and approvals by virtue of which the entity may create or issue further securities, to rank in priority to or *pari passu* with the securities being offered.**

Please refer to the section entitled “**SUMMARY OF THE OFFER AND THE SECURITIES**” of this Offer Information Statement and the Terms and Conditions.

The Securities constitute direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with any Parity Obligations (as defined in the Terms and Conditions) of the Issuer.

The rights and claims of the Securityholders in respect of the Securities are subordinated as provided in Condition 2 of the Securities. The consent of the Securityholders will not be required for the issuance of any Parity Obligation or any other obligation ranked senior to the Securities.

Under Condition 12 of the Securities, the Issuer may from time to time without the consent of the Securityholders create and issue further Securities having the same terms and conditions as the Securities in all respects and so that the same shall be consolidated and form a single series with such Securities.

Plan of Distribution

- 6. Indicate the amount, and outline briefly the plan of distribution, of the securities that are to be offered otherwise than through underwriters. If the securities are to be offered through the selling efforts of any broker or dealer, describe the plan of distribution and the terms of any agreement or understanding with such entities. If known, identify each broker or dealer that will participate in the offer and state the amount to be offered through each broker or dealer.**

The Issuer will offer and issue up to S\$300,000,000 in aggregate principal amount of Securities comprising the Public Offer, the Reserve Offer and the Placement, PROVIDED THAT (I) 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, (II) 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 (III) 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.

Offer tranche breakdown

The Public Offer comprises an offering of up to S\$230,000,000 in aggregate principal amount of Securities offered at the Issue Price to the public by way of Electronic Applications, subject to the increase of size of the Offer and reallocation (as described in the following sub-section).

The Reserve Offer comprises an offering of up to S\$20,000,000 in aggregate principal amount of Securities offered at the Issue Price to eligible persons (being the directors, management and employees of the Issuer and its subsidiaries) by way of direct application with the Issuer, subject to reallocation (as described in the immediately following sub-section) and provided that the aggregate principal amount of 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. Eligible persons may also apply for the Securities under the Public Offer and/or the Placement.

The Placement comprises an offering of up to S\$50,000,000 in aggregate principal amount of Securities offered at the Issue Price to institutional and other investors which are non-U.S. persons, outside the United States in offshore transactions (in each case as defined in Regulation S) in reliance on Regulation S, subject to the increase of the size of the Offer and reallocation (as described in the following sub-section).

Increase of size of the Offer and reallocation

In the event of oversubscription under the Public Offer and/or the Placement, the Issuer shall have the right, in consultation with the Sole Lead Manager and Bookrunner, to increase the issue size of the Securities, subject to a maximum issue size of S\$500,000,000 in aggregate principal amount of Securities and 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 actual aggregate principal amount of the Securities to be allocated between the Public Offer, the Reserve Offer and the Placement will be finalised on or prior to the Issue Date.

Minimum amount of applications to be received

The Issuer reserves the right to cancel the Offer in the event that less than S\$100,000,000 applications in aggregate principal amount in applications are received under the Offer.

Other distribution details

Nothing in this Offer Information Statement constitutes an offer of securities for sale in the United States. The Securities have not been and will not be registered under the Securities Act or under any securities laws of any state of the United States and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) unless the Securities have been registered under the Securities Act or offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Securities are being offered, sold or delivered outside the United States to non-U.S. persons in offshore transactions (in each case as defined in reliance on Regulation S).

For the purposes of trading on the Mainboard of the SGX-ST, each board lot of Securities will comprise S\$1,000 in principal amount of the Securities.

Upon the listing and quotation of the Securities on the Mainboard of the SGX-ST, the Securities, when issued, will be traded on the Mainboard of the SGX-ST under the book-entry scripless settlement system. All dealings in and transactions (including transfers) of the Securities effected through the SGX-ST and/or CDP shall be made in accordance with the "Terms and Conditions for Operation of Securities Accounts with The Central Depository (Pte) Limited", as the same may be amended from time to time. Copies of the "Terms and Conditions for Operation of Securities Accounts with The Central Depository (Pte) Limited" are available from CDP.

The Securities may also be traded over-the-counter on the Debt Securities Clearing and Settlement System.

- 7. Provide a summary of the features of the underwriting relationship together with the amount of securities being underwritten by each underwriter.**

Not applicable. There are no underwriting arrangements in respect of the Offer.

PART VII – ADDITIONAL INFORMATION

Statements by Experts

- 1. Where a statement or report attributed to a person as an expert is included in the offer information statement, provide such person's name, address and qualifications.**

Not applicable.

- 2. Where the offer information statement contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert –**

(a) state the date on which the statement was made;

(b) state whether or not it was prepared by the expert for the purpose of incorporation in the offer information statement; and

(c) include a statement that the expert has given, and has not withdrawn, his written consent to the issue of the offer information statement with the inclusion of the statement in the form and context in which it is included in the offer information statement.

Not applicable.

- 3. The information referred to in paragraphs 1 and 2 of this Part need not be provided in the offer information statement if the statement attributed to the expert is a statement to which the exemption under regulation 26(2) or (3) applies.**

Noted.

Consents from Issue Managers and Underwriters

- 4. Where a person is named in the offer information statement as the issue manager or underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given, and has not withdrawn, his written consent to being named in the offer information statement as the issue manager or underwriter, as the case may be, to the offer.**

DBS Bank has given, and has not, before the lodgement of this Offer Information Statement with the Authority withdrawn its written consent to being named in this Offer Information Statement as the Sole Lead Manager and Bookrunner to the Offer.

Other Matters

- 5. Include particulars of any other matters not disclosed under any other paragraph of this Schedule which could materially affect, directly or indirectly –**
- (a) the relevant entity’s business operations or financial position or results; or**
 - (b) investments by holders of securities in the relevant entity.**

Save as disclosed in this Offer Information Statement, the Directors are not aware of any other matter which could materially affect, directly or indirectly, the Issuer’s business operations, financial position or results or investments by holders of securities in the Issuer.

Where new circumstances arise, or changes in the affairs of the Group occur after the date hereof but prior to the issue of the Securities, and are material, or are required to be disclosed by law and/or the SGX-ST, the Issuer may make an announcement of the same to the SGX-ST. Such announcements shall be deemed to be incorporated in, and form part of, this Offer Information Statement, save that any statement contained in such announcement which is deemed to be incorporated by reference herein shall be deemed to have modified this Offer Information Statement to the extent that a statement contained in that announcement modifies or supercedes such earlier statement in this Offer Information Statement (whether expressly, by implication or otherwise). Any statement in this Offer Information Statement so modified or superceded by the statement in the announcement shall not be deemed, except as so modified or superceded, to constitute a part of this Offer Information Statement.

PART VIII – ADDITIONAL INFORMATION REQUIRED FOR OFFER OF DEBENTURES OR UNITS OF DEBENTURES

Guarantor Entity, Advisers and Agents

- 1. Provide the names and addresses of –**
 - (a) the arranger of the offer, if any; and**
 - (b) the paying agent of the relevant entity.**

Please refer to Part II “**Identity of Directors, Advisers and Agents**” of this Sixteenth Schedule section.

- 2. In the case of a guaranteed debenture issue, provide –**
 - (a) the name and address of the guarantor entity; and**
 - (b) the name and addresses of each of the directors or equivalent persons of the guarantor entity.**

Not applicable.

- 3. Provide the name and address of the trustee, fiscal agent, or any other representative for the debenture holders, and the main terms of the document governing such trusteeship or representation, including provisions concerning the functions, rights and obligations of the trustee, fiscal agent or representative.**

The names and addresses of the Trustee, the Registrar, the Calculation Agent and the Paying Agent are set out in Part II “**Identity of Directors, Advisers and Agents**” of this Sixteenth Schedule section.

Trust Deed

The Securities will be constituted by the Trust Deed to be entered into between the Issuer and Perpetual (Asia) Limited, as trustee of the Securityholders. The Trustee has agreed to act as trustee of the Trust Deed for the benefit of the Securityholders on the terms and subject to the conditions contained in the Trust Deed and of the Securities. The rights and interests of the Securityholders will be contained in the Trust Deed. The Trust Deed will provide for the Trustee to take action on behalf of the Securityholders in certain circumstances. Subject to the terms of the Trust Deed and Condition 9 of the Securities, the Trustee may, without further notice to the Issuer institute such proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Securities or the Trust Deed (other than any payment obligation of the Issuer under or arising from the Securities, including, without limitation, payment of any principal or premium or satisfaction of any distributions (including any damages awarded for breach of any obligations)). The Trustee shall not be bound to take any steps (including, without limitation, giving notice that the Securities are due and repayable in accordance with Condition 9) to enforce the performance by the Issuer of any of the provisions of the Issue Documents (as defined in the Trust Deed) or of the Securities unless (i) it shall have been so requested in writing by the holders of not less than 25 per cent. in principal amount of the Securities outstanding or so directed by an Extraordinary Resolution (as defined in the Trust Deed) and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction against all actions, proceedings, claims, demands and liabilities to which it may thereby become liable and all costs, charges, damages and expenses which may be incurred by it in connection therewith.

The Trustee may in relation to any of the Issue Documents act (or refrain from acting) on the opinion, advice or certificate of, or any information obtained from, any lawyer, valuer, banker, securities company, broker, accountant, surveyor, auctioneer or other expert in Singapore or elsewhere whether obtained by the Trustee, the Issuer, any subsidiary or the Paying Agent or otherwise, and, shall not be responsible for any loss occasioned by so acting (or refraining from acting).

The Trust Deed will also provide that the Trustee shall not be bound to make any enquiry or to take any step to ascertain whether any Enforcement Event has occurred and, until it shall have actual knowledge or shall have express notice to the contrary, the Trustee shall be entitled to assume without enquiry (it being the intention that it should assume without enquiry) that no such event has happened and that the Issuer is performing all its obligations under the Issue Documents and under the Securities. In particular, the Trustee shall not be required to monitor the financial performance of the Issuer.

The other functions, rights and obligations of the Trustee will be set out in the Trust Deed.

Agency Agreement

The administrative matters relating to the Securities are addressed in the Agency Agreement.

DBS Bank will be appointed as the Registrar, the Calculation Agent and the Paying Agent in respect of the Securities in accordance with the terms and conditions of the Agency Agreement.

The Registrar will maintain a register for the Securities in accordance with the Terms and Conditions and the regulations set out in the Agency Agreement.

The Paying Agent will, in accordance with the Agency Agreement and the Terms and Conditions, pay or cause to be paid on behalf of the Issuer on and after each due date for payment the amounts due in respect of the Securities. The Paying Agent shall also arrange on behalf of and at the request and expense of the Issuer for notices to be given to the Securityholders in accordance with the Terms and Conditions.

The functions, rights and obligations of the Registrar, the Calculation Agent and the Paying Agent will be set out in the Agency Agreement.

Depository Agreement and Deed of Covenant

CDP will be appointed to act as depository for the Securities on the terms and conditions of the Depository Agreement and the Deed of Covenant. So long as the Securities are held by or on behalf of CDP, transactions in the Securities can only be cleared and settled on a book-entry basis through the computerised system operated by CDP.

The Terms and Conditions are set out in the section entitled “**TERMS AND CONDITIONS OF THE SECURITIES**” of this Offer Information Statement. Copies of the Trust Deed, the Agency Agreement, the Depository Agreement and the Deed of Covenant will be available for inspection during normal business hours (with prior appointment) at the principal office of the Trustee at 16 Collyer Quay #26-02, Singapore 049318 and during normal business hours at the specified office of the Paying Agent at 10 Toh Guan Road #04-11, (Level 4B) DBS Asia Gateway, Singapore 608838, from the Issue Date up to and including the date falling six (6) months after the date of this Offer Information Statement.

Offer Statistics

4. State –

- (a) the amount of subscriptions that are being sought and, where applicable, the fact that the subscriptions may be reduced;
- (b) the nature, denomination and, where applicable, number of the debentures or units of debentures, as the case may be, being offered;
- (c) where the debentures or units of debentures, as the case may be, are offered at a discount or premium, the face value of the debentures or units of debentures being offered and the discount or premium; and
- (d) the currency of the issue and, if the issue is payable in any currency other than the currency of the issue, this fact.

Please refer to the section entitled “**SUMMARY OF THE OFFER OF THE SECURITIES**”, paragraph 1 of Part III “**Offer Statistics and Timetable – Offer Statistics**” and paragraphs 1 and 2 of Part VI “**The Offer and Listing – Offer and Listing Details**” of this Sixteenth Schedule section.

The Issue Price of each Security is payable in Singapore dollars.

Principal Terms and Conditions

5. Provide the following information on the debentures or units of debentures, as the case may be, being offered:

- (a) the yield, a summary of the method by which that yield is calculated, the issue and redemption prices, the nominal interest rate and –
 - (i) if the nominal interest rate is a floating rate, how the rate is calculated; or
 - (ii) if several or variable interest rates are provided for, the conditions for changes in the rate;
- (b) the date from which interest accrues and the interest payment dates;
- (c) the procedures for, and validity period of, claims to payment of interest and repayment of the principal sum;
- (d) the final repayment date and any early repayment dates, specifying whether exercisable at the option of the relevant entity or of the holder of the debentures or units of debentures;
- (e) details of the arrangements for the amortisation or early redemption of the debentures or units of debentures, as the case may be, including procedures to be adopted;
- (f) a description of any subordination or seniority of the issue to other debts of the relevant entity already incurred or to be incurred;
- (g) the rights conferred upon the holders of the debentures or units of debentures, as the case may be, including rights in respect of interest and redemption;

- (h) the particulars of any security;
- (i) the particulars of any significant covenant, including those concerning subsequent issues of other forms or series of debentures or units of debentures;
- (j) where applicable, a statement as to whether or not the relevant entity has any right to create additional charges over any of the assets subject to a charge to secure the repayment of the debentures or units of debentures, as the case may be, which will rank in priority to or pari passu with the second-mentioned charge and, if there is such a right, particulars of its nature and extent;
- (k) the nature and scope of any guarantee, surety or commitment intended to ensure that the issue will be duly serviced with regard to both the principal sum of and the interest on the debentures or units of debentures, as the case may be;
- (l) any legislation under which the debentures or units of debentures, as the case may be, have been created, and the governing law and the competent courts in the event of litigation;
- (m) definition of events constituting defaults and effect upon acceleration of maturity of the debentures or units of debentures, as the case may be; and
- (n) provisions for modifications of terms and conditions of the debentures or units of debentures, as the case may be.

Please refer to the section entitled “**SUMMARY OF THE OFFER OF THE SECURITIES**” of this Offer Information Statement and the Terms and Conditions.

Credit Rating

6. If the relevant entity, its guarantor entity or the debentures or units of debentures being offered have been given a credit rating by a credit rating agency, disclose the name of the credit rating agency, the credit rating (including whether it is a short-term or long-term credit rating), whether or not the relevant entity, its guarantor entity or any of their related parties had paid any fee or benefit of any kind to the credit rating agency in consideration for the credit rating, and the date on which the credit rating was given.

Not applicable.

Secured Debentures

7. Provide, in relation to an offer of secured debentures or certificates of debenture stock, a summary by the auditors of the relevant entity showing, in tabular form –
 - (a) the aggregate value of the tangible assets owned by the relevant entity;
 - (b) the aggregate value of the tangible assets owned by each, or jointly owned by two or more, of its guarantor entities; and
 - (c) the aggregate value of the tangible assets jointly owned by the relevant entity and one or more of its guarantor entities,

which have been charged to secure the repayment of all or any moneys payable in respect of the secured debentures or certificates of debenture stock, including an explanation of any adjustment made for the purpose of providing a true and fair view of those assets.

Not applicable. The Securities are unsecured.

8. Show also, in the summary –

- (a) the amounts outstanding of the aggregate amounts borrowed by the relevant entity and by each of its guarantor entities, distinguishing between those amounts outstanding which will rank for repayment in priority to the amount under the proposed issue and those amounts outstanding which will rank for repayment pari passu with the amount under the proposed issue;**
- (b) where any charge is for a liability the amount of which may vary from time to time, the actual amount of the liability as at the date on which the summary is made and any further amount which may be advanced under that charge; and**
- (c) the aggregate amount of advances by the relevant entity to related corporations or related entities of the relevant entity, distinguishing between advances which are secured and advances which are unsecured.**

Not applicable. The Securities are unsecured.

9. The auditors of the relevant entity may explain or qualify, by way of notes or otherwise, any of the matters set out in the summary.

Not applicable. The Securities are unsecured.

10. Where the tangible assets referred to in paragraph 7 of this Part are in the form of property, provide information on a report of the valuation of the interest of the relevant entity and each of its guarantor entities in each property charged, showing the nature and extent of the interest of the relevant entity and of each of its guarantor entities, such report to be made not more than 6 months before the date of lodgement of the offer information statement by an independent qualified valuer.

Not applicable. The Securities are unsecured.

PART IX – ADDITIONAL INFORMATION REQUIRED FOR CONVERTIBLE DEBENTURES

Not applicable.

PART X – ADDITIONAL INFORMATION REQUIRED FOR OFFER OF SECURITIES BY WAY OF RIGHTS ISSUE

Not applicable.

CERTAIN FINANCIAL INFORMATION RELATING TO THE GROUP

Selected financial data from the audited consolidated income statements of the Group for FY2013, FY2014 and FY2015 have been extracted and set out in Appendix B of this Offer Information Statement and selected financial data from the audited consolidated statements of financial position of the Group as at 31 December 2014 and 31 December 2015 and selected financial data from the audited consolidated statements of cash flows of the Group for FY2014 and FY2015 have been set out in Appendices C and D respectively of this Offer Information Statement.

Such selected financial data should be read together with the relevant financial notes to the respective financial statements, which are available on the website of the Issuer at <<http://www.hyflux.com>>. As at the date of this Offer Information Statement, a copy of the annual report for FY2015 is available on the website of the Issuer.

The unaudited financial statements of the Group for the first quarter ended 31 March 2016 are set out in Appendix E of this Offer Information Statement and have been extracted and reproduced from the Group's unaudited first quarter and three months financial statements announcement dated 12 May 2016 for the financial period ended 31 March 2016.

The Group's financial statements are reported in Singapore dollars.

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial year and these are consistent with those used in the previous financial year.

As a company listed on the SGX-ST, the Issuer is required to announce its financial results on a quarterly and annual basis and to issue an annual report to its shareholders and the SGX-ST under the relevant listing rules prescribed by the SGX-ST. The announcement of the unaudited quarterly and full year financial statements of the Issuer will be made through an SGXNET announcement to be posted on the SGX-ST's website at <<http://www.sgx.com>> within 45 days and 60 days, respectively, after the end of the relevant financial period. The annual report of the Issuer will also be made available on the SGX-ST's website at <<http://www.sgx.com>> and on the website of the Issuer at <<http://www.hyflux.com>> within four (4) months after the end of the relevant financial period.

LIST OF SIGNIFICANT SUBSIDIARIES

Name of companies	Principal activities	Country of incorporation	Ownership interest	
			2015 %	2014 %
Held by the Company				
Hydrochem (S) Pte Ltd	Investment holding, EPC, installation, testing, commissioning, operation and maintenance of liquid treatment plant	Singapore	100	100
Hyflux Membrane Manufacturing (S) Pte. Ltd.	Manufacturing of membrane systems	Singapore	100	100
Spring China Utility Ltd	Investment holding	British Virgin Islands	100	100
TuaSpring Pte Ltd	Development and operation of a seawater desalination and power generation plant	Singapore	100	100
Hyflux Engineering Pte Ltd	Investment holding, operation and maintenance of water and maintenance of power plants and sale of treated water.	Singapore	100	100
Hyflux Innovation Centre Pte Ltd	Property leasing business and property management*	Singapore	100	100
Held through subsidiaries				
Hydrochem Engineering (Shanghai) Co., Ltd	EPC, installation, testing, commissioning, operation and maintenance of liquid treatment plant	PRC	100	100
Hyflux NewSpring Construction Engineering (Shanghai) Co., Ltd	EPC, installation, testing, commissioning, operation and maintenance of liquid treatment plant	PRC	100	100
Tianjin Dagang NewSpring Co., Ltd	Development and operation of a seawater desalination plant	PRC	100	50

* Considered a significant subsidiary for FY2014 as gain on disposal of Hyflux Innovation Centre contributed to the "Other Income" of the Group.

This page has been intentionally left blank.

**AUDITED CONSOLIDATED INCOME STATEMENTS OF THE GROUP
FOR FY2013, FY2014 AND FY2015**

	2015	2014	2013
	S\$'000	S\$'000	S\$'000
Revenue	445,241	321,394	535,790
Other income	72,637	169,999	10,224
Changes in inventories of finished goods and work-in-progress	1,624	7,046	8,501
Raw materials and consumables used and subcontractors' cost	(225,890)	(170,981)	(275,770)
Staff costs	(65,200)	(75,183)	(73,110)
Depreciation, amortisation and impairment	(22,235)	(32,580)	(42,108)
Other expenses	(105,000)	(120,493)	(79,034)
Finance costs	(42,790)	(34,829)	(27,519)
Share of losses of associates and joint ventures, net of income tax	(19,610)	(11,313)	(5,351)
Profit before income tax	38,777	53,060	51,623
Tax credit/(expense)	6,695	5,753	(8,727)
Profit after income tax	45,472	58,813	42,896
Profit attributable to:			
Owners of the Issuer	41,273	57,469	44,026
Non-controlling interests	4,199	1,344	(1,130)
	45,472	58,813	42,896

This page has been intentionally left blank.

**AUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF
THE GROUP AS AT 31 DECEMBER 2014 AND 31 DECEMBER 2015**

	31 Dec 2015 S\$'000	31 Dec 2014 S\$'000
<u>NON-CURRENT ASSETS</u>		
Property, plant and equipment	156,427	115,860
Intangible assets	25,648	28,093
Intangible assets arising from service concession arrangements	1,127,767	992,989
Joint ventures	7,374	233,846
Associates	138,291	100,335
Other investments	542	18,562
Financial receivables	546,271	384,670
Trade and other receivables	–	19,041
Deferred tax assets	27,530	9,505
Total non-current assets	2,029,850	1,902,901
<u>CURRENT ASSETS</u>		
Gross amounts due for contract work	128,126	94,410
Inventories	51,613	44,181
Financial receivables	14,409	10,558
Trade and other receivables	275,786	241,284
Cash and cash equivalents	313,706	444,428
Asset held for sale	211,865	3,953
Total current assets	995,505	838,814
<u>CURRENT LIABILITIES</u>		
Trade and other payables, including derivatives	266,006	229,879
Loans and borrowings	659,652	153,464
Tax payable	6,864	7,285
Liabilities held for sale	13,347	–
Total current liabilities	945,869	390,628
Net current assets	49,636	448,186
<u>NON-CURRENT LIABILITIES</u>		
Trade and other payables – derivatives	13,169	29,275
Loans and borrowings	764,297	979,331
Deferred tax liabilities	1,169	493
Total non-current liabilities	778,635	1,009,099
Net assets	1,300,851	1,341,988

	31 Dec 2015 S\$'000	31 Dec 2014 S\$'000
<u>EQUITY</u>		
Share capital	607,258	607,258
Perpetual capital securities	469,096	469,096
Reserve for own shares	(85,929)	(61,936)
Capital reserve	13,731	10,043
Foreign currency translation reserve	469	14,029
Hedging reserve	(15,285)	(29,728)
Employees' share option reserve	25,069	24,755
Retained earnings	273,059	303,664
	<hr/>	<hr/>
Total equity attributable to equity holders of the Issuer	1,287,468	1,337,181
Non-controlling interests	13,383	4,807
	<hr/>	<hr/>
Total equity	1,300,851	1,341,988

**AUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS OF THE GROUP
FOR FY2014 AND FY2015**

	2015 S\$'000	2014 S\$'000
Cash flows from operating activities		
Profit before income tax	38,777	53,060
Adjustments for:		
Allowance for inventory obsolescence	288	989
Amortisation of transaction costs related to borrowings	499	582
Depreciation, amortisation and impairment	22,235	32,580
Employees' share option expense	314	569
Finance costs	42,790	34,829
Financial receivables written off	5,989	2,886
Gain on disposal of an associate and a joint venture	–	(54,118)
Gain on sale of property, plant and equipment	(15,502)	(103,684)
Gain from acquisition of subsidiaries	(17,785)	–
Intangible assets arising from service concession arrangements written off	6,086	990
Interest income	(3,563)	(4,047)
Loss on liquidation of subsidiaries	–	98
Other income	(17,866)	–
Property, plant and equipment written off	88	220
Share of losses of associates and joint ventures, net of income tax	19,610	11,313
(Write-back)/Impairment of trade and other receivables	(153)	28,069
	81,807	4,336
Change in inventories	(372)	(10,534)
Change in gross amounts due for contract work	(19,889)	2,577
Change in trade and other receivables	(6,915)	(20,252)
Change in trade and other payables	29,669	8,836
Cash from/(used in) operating activities before service concession arrangement projects	84,300	(15,037)
Change in financial receivables from service concession arrangements	25,193	(3,163)
Change in intangible assets arising from service concession arrangements	(146,110)	(198,916)
Cash used in operating activities after service concession arrangement projects	(36,617)	(217,116)
Income tax paid	(7,034)	(9,017)
Net cash used in operating activities	(43,651)	(226,133)

	2015	2014
	S\$'000	S\$'000
Cash flows from investing activities		
Acquisition of intangible assets	(1,168)	(1,945)
Acquisition of property, plant and equipment	(27,611)	(11,855)
Acquisition of subsidiaries, net of cash acquired	(45,942)	–
Acquisition of other investments	–	(515)
Acquisition and additional interests in associate	(47,304)	(8,589)
Acquisition and additional interests in joint venture	(7,063)	(206)
Deposits (paid)/received	(70)	5,565
Dividends received from associates	2,271	6,238
Interest received	2,062	3,287
Loans to a joint venture	(6,660)	(18,660)
Net proceeds from disposal of an associate and a joint venture	–	63,432
Net proceeds from liquidation of other investments	10,153	–
Net proceeds from sale of property, plant and equipment	17,742	169,536
Net cash (used in)/from investing activities	(103,590)	206,288
Cash flows from financing activities		
Contribution from non-controlling interests	5,359	–
Dividends paid	(68,190)	(51,579)
Decrease in deposits pledged	–	1,832
Interest paid	(48,977)	(51,227)
Net proceeds from perpetual capital securities issued	–	469,096
Proceeds from borrowings	352,726	66,981
Proceeds from exercise of share options	–	371
Purchases of treasury shares	(23,993)	(10,452)
Repayment of borrowings	(157,387)	(214,834)
Net cash from financing activities	59,538	210,188
Net (decrease)/increase in cash and cash equivalents	(87,703)	190,343
Cash and cash equivalents at beginning of the year	382,044	182,585
Effect of exchange rate fluctuations on cash held	4,137	9,116
Cash and cash equivalents at end of the year	298,478	382,044

**UNAUDITED FINANCIAL STATEMENTS OF THE GROUP FOR
THE FIRST QUARTER 31 MARCH 2016**



HYFLUX LTD

Registration number : 200002722Z

Unaudited Financial Statements For The First Quarter 31 March 2016

- 1 (a)(i) An income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

**CONSOLIDATED INCOME STATEMENT
FOR THE FIRST QUARTER ENDED 31 MARCH 2016**

	<u>Group</u>		Change %
	Quarter ended 31 Mar 2016 S\$'000	2015 S\$'000	
Revenue	248,346	60,432	NM
Other income	10,306	26,970	(62)
Changes in inventories of finished goods and work-in-progress	(1,452)	3,543	NM
Raw materials and consumables used and subcontractors' costs	(188,165)	(24,402)	NM
Staff costs	(19,137)	(15,650)	22
Depreciation, amortisation and impairment	(9,504)	(4,717)	NM
Other expenses	(17,135)	(20,110)	(15)
Finance costs	(14,601)	(10,619)	37
Share of losses of associates and joint ventures, net of income tax	(2,881)	(7,889)	(63)
Profit before income tax	5,777	7,558	(24)
Tax credit/ (expense)	2,286	(880)	NM
Profit for the period	8,063	6,678	21
Profit attributable to:			
Owners of the Company	7,322	5,628	30
Non-controlling interests	741	1,050	(29)
Profit for the period	8,063	6,678	21

NM: Not Meaningful



1 (a)(ii) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2016

	<u>Group</u>		Change
	Quarter ended 31 Mar		
	2016	2015	
	S\$'000	S\$'000	%
Profit for the period	8,063	6,678	21
Other comprehensive income:			
<u>Items that are or may be reclassified</u> <u>subsequently to profit or loss</u>			
Foreign currency translation differences for foreign operations	(7,556)	7,781	NM
Effective portion of changes in fair value of cash flow hedges	(29,990)	(640)	NM
Share of other comprehensive income of associates and joint ventures	(3,894)	2,980	NM
Other comprehensive income for the period, net of income tax	(41,440)	10,121	NM
Total comprehensive (loss)/income for the period	(33,377)	16,799	NM
Total comprehensive (loss)/income attributable to:			
Owners of the Company	(33,770)	15,847	NM
Non-controlling interests	393	952	(59)
Total comprehensive (loss)/income for the period	(33,377)	16,799	NM

NM: Not Meaningful



NOTES TO CONSOLIDATED INCOME STATEMENT

1 (a)(iii) Profit before income tax of the Group is arrived at after (charging)/crediting the following: -

	<u>Group</u>		Change %
	Quarter ended 31 Mar		
	2016	2015	
	S\$'000	S\$'000	
Write-back for inventory obsolescence	3	3	-
Depreciation, amortisation and impairment	(9,504)	(4,717)	NM
Finance costs	(14,601)	(10,619)	37
Gain on sale of property, plant and equipment	3	15,814	NM
Gain on disposal of other investment	11	-	NM
Interest income	538	1,060	(49)
Net foreign currency exchange loss	(826)	(3,124)	(74)
Overprovision of prior years' tax	974	471	NM
Property, plant and equipment written off	(1)	(4)	(75)
Write-back of trade and other receivables	971	-	NM

NM: Not Meaningful



1(b)(i) Statements of financial position (for the Issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2016

	<u>Group</u>		<u>Company</u>	
	31 Mar 16 S\$'000	31 Dec 15 S\$'000	31 Mar 16 S\$'000	31 Dec 15 S\$'000
<u>NON-CURRENT ASSETS</u>				
Property, plant and equipment	157,615	156,427	-	-
Intangible assets	25,509	25,648	-	-
Intangible assets arising from service concession arrangements	1,122,467	1,127,767	-	-
Subsidiaries	-	-	249,708	219,048
Joint ventures	37,730	7,374	-	-
Associates	130,761	138,291	15,576	15,455
Other investments	-	542	-	-
Financial receivables	731,456	546,271	-	-
Trade and other receivables	288	-	999,873	972,287
Deferred tax assets	31,576	27,530	-	-
	<u>2,237,402</u>	<u>2,029,850</u>	<u>1,265,157</u>	<u>1,206,790</u>
<u>CURRENT ASSETS</u>				
Gross amounts due for contract work	117,265	128,126	-	-
Inventories	48,693	51,613	-	-
Financial receivables	14,322	14,409	-	-
Trade and other receivables	254,098	275,786	761,341	847,315
Cash and cash equivalents	181,471	313,706	29,007	112,382
Assets held for sale	211,865	211,865	-	-
	<u>827,714</u>	<u>995,505</u>	<u>790,348</u>	<u>959,697</u>
<u>CURRENT LIABILITIES</u>				
Trade and other payables	362,844	266,006	43,249	69,823
Loans and borrowings	373,419	659,652	303,508	614,800
Tax payable	6,988	6,864	3,695	2,756
Liabilities held for sale	13,347	13,347	-	-
	<u>756,598</u>	<u>945,869</u>	<u>350,452</u>	<u>687,379</u>
Net current assets	71,116	49,636	439,896	272,318
<u>NON-CURRENT LIABILITIES</u>				
Trade and other payables - derivatives	39,907	13,169	-	-
Loans and borrowings	1,024,497	764,297	557,862	305,424
Deferred tax liabilities	1,500	1,169	-	-
	<u>1,065,904</u>	<u>778,635</u>	<u>557,862</u>	<u>305,424</u>
Net assets	1,242,614	1,300,851	1,147,191	1,173,684



STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2016 (cont'd)

	<u>Group</u>		<u>Company</u>	
	31 Mar 16 S\$'000	31 Dec 15 S\$'000	31 Mar 16 S\$'000	31 Dec 15 S\$'000
<u>EQUITY</u>				
Share capital	607,258	607,258	607,258	607,258
Perpetual capital securities	469,096	469,096	469,096	469,096
Reserve for own shares	(85,929)	(85,929)	(85,929)	(85,929)
Capital reserve	14,596	13,731	9,728	8,863
Foreign currency translation reserve	(10,546)	469	-	-
Hedging reserve	(45,362)	(15,285)	(2,938)	1,277
Employees' share option reserve	24,952	25,069	24,952	25,069
Retained earnings	254,553	273,059	125,024	148,050
Total equity attributable to owners of the Company	1,228,618	1,287,468	1,147,191	1,173,684
Non-controlling interests	13,996	13,383	-	-
Total equity	1,242,614	1,300,851	1,147,191	1,173,684
<i>Group net borrowings (S\$'000)</i>	1,216,445	1,110,243	n.a.	n.a.
<i>Group net gearing (times)</i>	0.98x	0.85x	n.a.	n.a.



NOTES TO STATEMENTS OF FINANCIAL POSITION

1(b)(ii) Group's borrowings and debt securities

(i) Amount repayable in one year or less, or on demand

31 Mar 16		31 Dec 15	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	373,419	-	659,652

(ii) Amount repayable after one year

31 Mar 16		31 Dec 15	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
228,118	796,379	227,803	536,494

Details of any collateral

Secured bank loans of the Group were secured over specific project assets of a subsidiary under project financing arrangement.



1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2016**

	<u>Group</u>	
	Quarter ended 31 Mar 2016 S\$'000	2015 S\$'000
Cash flows from operating activities		
Profit before income tax	5,777	7,558
Adjustments for:		
Amortisation of transaction costs related to borrowings	636	128
Depreciation, amortisation and impairment	9,504	4,717
Employees' share option expense	(117)	(215)
Finance costs	14,601	10,619
Gain on disposal of other investment	(11)	-
Gain on sale of property, plant and equipment	(3)	(15,814)
Interest income	(538)	(1,060)
Other income	(3,415)	-
Property, plant and equipment written off	1	4
Share of losses of associates and joint ventures, net of income tax	2,881	7,889
Write-back for inventory obsolescence	(3)	(3)
Write-back of trade and other receivables	(971)	-
	<u>28,342</u>	<u>13,823</u>
Change in inventories	2,920	(5,827)
Change in gross amounts due for contract work	10,861	2,796
Change in trade and other receivables	13,219	33,520
Change in trade and other payables	<u>102,321</u>	<u>(34,460)</u>
Cash from operating activities before service concession arrangement projects	<u>157,663</u>	<u>9,852</u>
Change in financial receivables from service concession arrangements	(190,234)	(3,808)
Change in intangible assets arising from service concession arrangements	-	(31,450)
Cash used in operating activities after service concession arrangement projects	<u>(32,571)</u>	<u>(25,406)</u>
Income tax paid	<u>(1,208)</u>	<u>(863)</u>
Net cash used in operating activities	<u>(33,779)</u>	<u>(26,269)</u>



**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2016 (cont'd)**

	<u>Group</u>	
	Quarter ended 31 Mar 2016 S\$'000	2015 S\$'000
Cash flows from investing activities		
Acquisition of intangible assets	(672)	(466)
Acquisition of property, plant and equipment	(7,001)	(5,569)
Acquisition of subsidiaries, net of cash acquired	-	(3,283)
Acquisition of joint venture	(30,000)	-
Dividends received from associates	600	540
Interest received	420	642
Net proceeds from liquidation	3,732	-
Net proceeds from disposal of other investment	553	-
Net proceeds from sale of property, plant and equipment	12	14,323
Net cash (used in)/ from investing activities	<u>(32,356)</u>	<u>6,187</u>
Cash flows from financing activities		
Contribution from non-controlling interests	220	-
Dividends paid	(12,930)	(12,930)
Interest paid	(32,165)	(17,542)
Proceeds from borrowings	35,631	29,316
Purchases of treasury shares	-	(9,299)
Repayment of borrowings	(55,861)	(91,582)
Net cash used in financing activities	<u>(65,105)</u>	<u>(102,037)</u>
Net decrease in cash and cash equivalents	(131,240)	(122,119)
Cash and cash equivalents at beginning of the period	298,478	382,044
Effect of exchange rate fluctuations on cash held	(1,602)	15,417
Cash and cash equivalents at end of the period [Note 1(c)(i)]	<u>165,636</u>	<u>275,342</u>

NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

1(c)(i) Cash and cash equivalents included in consolidated statement of cash flows comprise of the following:

	<u>Group</u>	
	31 Mar 16 S\$'000	31 Mar 15 S\$'000
Cash and cash equivalents in the statements of financial position	181,471	335,033
Less: Bank overdrafts used for cash management purposes	(20,925)	(59,356)
Less: Deposits pledged	(322)	(335)
	<u>160,224</u>	<u>275,342</u>
Add: Cash and cash equivalents included in assets held for sale	5,412	-
Cash and cash equivalents in the statement of cash flows	<u>165,636</u>	<u>275,342</u>



1 (d)(i) A statement (for the Issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENT OF CHANGES IN EQUITY OF THE GROUP

	Share capital	Perpetual capital securities	Reserve for own shares	Capital reserve	Foreign currency translation reserve	Hedging reserve	Employees' share option reserve	Retained earnings	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 Jan 2016	607,258	469,096	(85,929)	13,731	469	(15,285)	25,069	273,059	1,287,468	13,383	1,300,851
Total comprehensive income for the period	-	-	-	-	-	-	-	7,322	7,322	741	8,063
Profit for the period	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	(7,208)	-	-	-	(7,208)	(348)	(7,556)
Foreign currency translation differences for foreign operations	-	-	-	-	(7,208)	-	-	-	(7,208)	(348)	(7,556)
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	(29,990)	-	-	(29,990)	-	(29,990)
Share of other comprehensive income of associates and joint ventures	-	-	-	-	(3,807)	(87)	-	-	(3,894)	-	(3,894)
Total comprehensive income for the period	-	-	-	-	(11,015)	(30,077)	-	7,322	(33,770)	393	(33,377)
Transactions with owners, recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-
Contributions by and distributions to owners	-	-	-	-	-	-	-	(24,963)	(24,963)	-	(24,963)
Dividends	-	-	-	-	-	-	-	-	-	-	-
Contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	220	220
Employee share options expired/ forfeited	-	-	-	-	-	-	(117)	-	(117)	-	(117)
Transfer to capital reserve	-	-	-	865	-	-	-	(865)	-	-	-
Total transactions with owners	-	-	-	865	-	-	(117)	(25,828)	(25,080)	220	(24,860)
At 31 Mar 2016	607,258	469,096	(85,929)	14,596	(10,546)	(45,362)	24,952	254,553	1,228,618	13,996	1,242,614



STATEMENT OF CHANGES IN EQUITY OF THE GROUP (cont'd)

	Share capital	Perpetual Capital securities	Reserve for own shares	Capital reserve	Foreign currency translation reserve	Hedging reserve	Employees' share option reserve	Retained earnings	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 Jan 2015	607,258	469,096	(61,936)	10,043	14,029	(29,728)	24,755	303,664	1,337,181	4,807	1,341,988
Total comprehensive income for the period	-	-	-	-	-	-	-	5,628	5,628	1,050	6,678
Profit for the period	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Foreign currency translation differences for foreign operations	-	-	-	-	7,879	-	-	-	7,879	(98)	7,781
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	(640)	-	-	(640)	-	(640)
Share of other comprehensive income of associates and joint ventures	-	-	-	-	2,916	64	-	-	2,980	-	2,980
Total comprehensive income for the period	-	-	-	-	10,795	(576)	-	5,628	15,847	952	16,799
Transactions with owners, recognised directly in equity	-	-	-	-	-	-	-	-	-	-	-
Contributions by and distributions to owners	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	(24,898)	(24,898)	-	(24,898)
Own shares acquired	-	-	(9,299)	-	-	-	-	-	(9,299)	-	(9,299)
Value of employee services received for issue of share options	-	-	-	-	-	-	(215)	-	(215)	-	(215)
Transfer to capital reserve	-	-	-	865	-	-	-	(865)	-	-	-
Total transactions with owners	-	-	(9,299)	865	-	-	(215)	(25,763)	(34,412)	-	(34,412)
At 31 Mar 2015	607,258	469,096	(71,235)	10,908	24,824	(30,304)	24,540	283,529	1,318,616	5,759	1,324,375



1 (d)(i) STATEMENT OF CHANGES IN EQUITY OF THE COMPANY

	Share capital S\$'000	Perpetual capital securities S\$'000	Reserve for own shares S\$'000	Capital reserve S\$'000	Hedging reserve S\$'000	Employees' share option reserve S\$'000	Retained earnings S\$'000	Total equity attributable to owners of the Company S\$'000
At 1 Jan 2016	607,258	469,096	(85,929)	8,863	1,277	25,069	148,050	1,173,684
Total comprehensive income for the period	-	-	-	-	-	-	2,802	2,802
Profit for the period	-	-	-	-	-	-	2,802	2,802
Other comprehensive income	-	-	-	-	(4,215)	-	-	(4,215)
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	(4,215)	-	-	(4,215)
Total comprehensive income for the period	-	-	-	-	(4,215)	-	2,802	(1,413)
Transactions with owners, recognised directly in equity	-	-	-	-	-	-	-	-
Contributions by and distributions to owners	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	(24,963)	(24,963)
Employee share options expired/ forfeited	-	-	-	-	-	(117)	-	(117)
Transfer to capital reserve	-	-	-	865	-	-	(865)	-
Total transactions with owners	-	-	-	865	-	(117)	(25,828)	(25,080)
At 31 Mar 2016	607,258	469,096	(85,929)	9,728	(2,938)	24,952	125,024	1,147,191
At 1 Jan 2015	607,258	469,096	(61,936)	5,402	-	24,755	130,892	1,175,467
Total comprehensive income for the period	-	-	-	-	-	-	7,729	7,729
Profit for the period	-	-	-	-	-	-	7,729	7,729
Other comprehensive income	-	-	-	-	251	-	-	251
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	251	-	-	251
Total comprehensive income for the period	-	-	-	-	251	-	7,729	7,980
Transactions with owners, recognised directly in equity	-	-	-	-	-	-	-	-
Contributions by and distributions to owners	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	(24,898)	(24,898)
Own shares acquired	-	-	(9,299)	-	-	-	-	(9,299)
Value of employee services received for issuance of share options	-	-	-	-	-	(215)	-	(215)
Transfer to capital reserve	-	-	-	865	-	-	(865)	-
Total transactions with owners	-	-	(9,299)	865	-	(215)	(25,763)	(34,412)
At 31 Mar 2015	607,258	469,096	(71,235)	6,267	251	24,540	112,858	1,149,035



- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Changes in the Company's share capital

The movements in the Company's issued and fully paid-up share capital during the first quarter ended 31 Mar 2016 were as follows:

Issued share capital

	No. of shares	Amount S\$'000
Ordinary shares		
At 1 Jan and 31 Mar 2016	785,284,989	128,760
Preference shares		
At 1 Jan and 31 Mar 2016	4,000,000	392,569
Issued share capital at 31 Mar 2016 (<i>Note A</i>)		<u>521,329</u>

As at 31 Mar 2016, the number of ordinary shares in issue were 785,284,989 (31 Mar 2015: 806,876,689), excluding 79,246,000 (31 Mar 2015: 57,654,300) held by the Company as treasury shares.

The total number of issued 6% Cumulative Non-convertible Non-voting Perpetual Class A Preference Shares (preference shares) as at 31 Mar 2016 were 4,000,000 (31 Mar 2015: 4,000,000).

Note A:

Per Statement of Financial Position	S\$'000
- Share capital	607,258
- Reserve for own shares	<u>(85,929)</u>
Issued share capital as at 31 Mar 2016	<u>521,329</u>

Outstanding share options under the Scheme

	No. of options
At 1 Jan 2016	28,039,000
Options granted	-
Expired/Forfeited	<u>(1,018,000)</u>
At 31 Mar 2016	<u>27,021,000</u>

As at 31 Mar 2016, the number of outstanding share options under the Schemes were 27,021,000 (31 Mar 2015: 38,436,500).



Perpetual capital securities

At 1 Jan and 31 Mar 2016

Amount
S\$'000

469,096

As at 31 Mar 2016, perpetual capital securities comprised \$300 mil issued at 5.75% per annum and \$175 mil issued at 4.80% per annum (31 Mar 2015: \$300 mil issued at 5.75% per annum and \$175 mil issued at 4.80% per annum).

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued ordinary shares as at 31 Mar 2016 were 785,284,989 (31 Dec 2015: 785,284,989), excluding 79,246,000 (31 Dec 2015: 79,246,000) held by the Company as treasury shares.

There was no change in the Company's issued preference shares during the financial period ended 31 Mar 2016. The total number of issued preference shares as at 31 Mar 2016 were 4,000,000 (31 Dec 2015: 4,000,000).

There was no change in the Company's issued perpetual capital securities during the financial period ended 31 Mar 2016. The total amount of issued perpetual capital securities as at 31 Mar 2016 were \$475 mil (31 Dec 2015: \$475 mil).

1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfer, disposal, cancellation and/or use of treasury shares for the financial period ended 31 Mar 2016.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group and the Company have consistently applied the same accounting policies and methods of computation as in the most recently audited annual financial statements.



5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group and the Company has reviewed the application of the new/revised FRS and Interpretations of FRS that are effective for the financial year beginning on 1 Jan 2016. Those new/revised FRS and Interpretations of FRS did not result in any significant impact on the financial statements.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	31 Mar 16	31 Mar 15	Change %
Loss per ordinary share of the Group based on net profit attributable to owners of the Company:-			
Based on the weighted average number of ordinary shares in issue [#]	(0.64 cts)	(0.83) cts	23
- Weighted average number of shares	785,284,989	806,876,689	(2.7)
On a fully diluted basis of ordinary shares [#]	(0.64 cts)	(0.83) cts	23
- Adjusted weighted average number of shares	<u>785,284,989</u>	<u>806,876,689</u>	(2.7)

[#] adjusted for dividends attributable to perpetual preference shares and perpetual capital securities of \$12.4 mil for the quarter ended 31 March 2016. Excluding these adjustments, the earnings per share would have been 0.93 cents (31 March 2015: 0.70 cents).

7. Net assets value (for the Issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.

Net assets value per ordinary share:

	<u>Group</u>		<u>Company</u>	
	31 Mar 16 Cents	31 Dec 15 Cents	31 Mar 16 Cents	31 Dec 15 Cents
Based on 785,284,989 (31 Dec 2015: 785,284,989) ordinary shares in issue	<u>46.8</u>	<u>54.2</u>	<u>34.7</u>	<u>38.0</u>



8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

8(a)(i) Revenue and earnings

Total revenue for the first quarter ended 31 March 2016 ("1Q2016") increased from \$60.4 mil for the first quarter ended 31 Mar 2015 ("1Q2015") to \$248.3 mil, contributed mainly by TuasOne waste-to-energy ("WTE") project and Qurayyat Independent Water Project ("IWP") in the Sultanate of Oman. On gross profits, the Group reported an increase of 48% from \$39.6 mil in 1Q2015 to \$58.7 mil in 1Q2016.

The Group achieved profit after tax and non-controlling interest ("PATMI") of \$7.3 mil in 1Q2016, an increase of 30% from \$5.6 mil in 1Q2015. The higher PATMI was mainly due to construction of TuasOne WTE plant and Qurayyat IWP.

Other Income in 1Q2016 was lower at \$10.3 mil, due to one-off disposal gain in 1Q2015 of \$15.8 mil on the Group's leasehold building in China. In 1Q2016, other income comprised mainly incentives income recognised by the Group as a market-making participant to the Singapore Electricity Futures Market.

Basic and diluted loss per share was 0.64 cents for 1Q2016 compared to the basic and diluted loss per share of 0.83 cents for 1Q2015. Both basic and diluted loss per share were adjusted for dividends on perpetual preference shares and perpetual capital securities.

Sector Review

Municipal sector continued to be the main contributor to the Group's revenue, accounting for 95% or \$238.4 mil of the total revenue in 1Q2016. For 1Q2015, the municipal sector contributed 84% at \$51.1 mil.

Revenue from the industrial sector made up 4% or \$9.1 mil of the Group's revenue in 1Q2016, decreased from 15% or \$9.0 mil for 1Q2015.

Geographical Review

The Singapore market remained the key contributor to the Group's revenue, amounting to 70% and 64% of the Group's total revenues in 1Q2016 and 1Q2015, respectively. TuasOne WTE project is the main driver to 1Q2016 revenue.

Revenue from the Middle East & North Asia ("MENA") region rose to 25% or \$63.0 mil from 11% or \$6.5 mil in 1Q2015, largely due to contributions from the Qurayyat IWP.

The Group's China market contributed 4% or \$9.7 mil to the total revenue in 1Q2016, from 11% or \$7.2 mil in 1Q2015. Rest of the World accounted for 1% or \$0.5 mil in 1Q2016, a decrease from 14% or \$8.2 mil in 1Q2015.



8(a)(ii) Costs and expenses

Direct costs increased from \$20.9 mil in 1Q2015 to \$189.6 mil in 1Q2016, driven by higher engineering, procurement and construction (“EPC”) activities.

Staff costs increased from \$15.7 mil in 1Q2015 to \$19.1 mil in 1Q2016 contributed mainly by construction activities of Qurayyat IWP and TuasOne WTE project.

Depreciation, amortisation and impairment increased from \$4.7 mil in 1Q2015 to \$9.5 mil in 1Q2016, mainly due to amortisation of Tuaspring power plant effective March 2016.

Other expenses decreased from \$20.1 mil in 1Q2015 to \$17.1 mil in 1Q2016, primarily due to recovery of receivables written off in prior periods as well as lower exchange losses for the quarter.

Finance costs increased by 37% from \$10.6 mil in 1Q2015 to \$14.6 mil in 1Q2016 relating mainly to the financing of the Group’s projects.

Share of losses of associates and joint ventures decreased from \$7.9 mil to \$2.9 mil, primarily contributed by share of losses in a joint venture in 1Q2015. Since 31 Dec 2015, the Group classified one of its joint ventures to assets held for sale in view of the plan to sell.

The Group recorded net income tax credit of \$2.3 mil in 1Q2016, mainly due to recognition of tax losses incurred by certain entities within the Group.

8(b) Statements of Financial Position Analysis

8(b)(i) The Group

The Group’s shareholder’s equity decreased from \$1.3 bil as at 31 Dec 2015 to \$1.2 bil as at 31 Mar 2016. The decrease was mainly due to dividends paid/payable amounting to \$25.0 mil, higher hedging reserve loss arising mainly from the interest rate swaps on the Group’s floating rate loan and translation loss reserve primarily due to weakening of foreign currencies, mainly US dollars against Singapore dollars.

Non-current assets increased from \$2,029.9 mil as at 31 Dec 2015 to \$2,237.4 mil as at 31 Mar 2016, mainly contributed by the investments in financial receivables in TuasOne WTE project and Qurayyat IWP, and capital injection of \$30.0 mil into a joint venture.

Current assets decreased from \$995.5 mil as at 31 Dec 2015 to \$827.7 mil as at 31 Mar 2016, mainly due to reduction in cash balance used for repayment of fixed-rated unsecured notes issued under the Group’s Multicurrency Debt Issuance Programme of \$55.0 mil in Jan 2016, payments of dividends and interest, acquisition of PT Oasis Waters International, as well as working capital requirements.

The Group reported a decrease in current liabilities from \$945.9 mil as at 31 Dec 2015 to \$756.6 mil as at 31 Mar 2016. The decrease was mainly due to the classification of \$252.4 mil corporate borrowings from short-term to long-term upon completion of syndicated loan refinancing in 1Q2016. This resulted in a corresponding increase in non-current liabilities.

The Group’s net gearing ratio stood at 0.98 times as at 31 Mar 2016, from 0.85 times as at 31 Dec 2015.



8(b)(ii) The Company

The Company's shareholders' equity remained relatively flat at \$1,147.2 mil as at 31 Mar 2016, compared to \$1,173.7 mil as at 31 Dec 2015. Earnings during the year were offset by dividends paid/payable amounting to \$25.0 mil for the period.

8(c) Statement of Cash flows

The Group's overall cash balance decreased from \$313.7 mil as at 31 Dec 2015 to \$181.5 mil as at 31 Mar 2016.

In 1Q2016, net cash of \$33.8 mil was used in the Group's operating activities, mainly towards the Group's investments in projects with service concession arrangements. Excluding cash used in these projects, net cash inflows from the Group's operating activities was \$157.7 mil.

Cash used in investing activities of \$32.4 mil in 1Q2016 was mainly for injection into 50% joint venture, PT Oasis Waters International.

Net cash used in financing activities in 1Q2016 amounted to \$65.1 mil mainly due to repayments of borrowings and payments of dividends and interest during the period.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

In April 2016, the Group was officially awarded a US\$500 million contract to construct the Ain Sokhna IWPP in Egypt by the General Authority for the Suez Canal Economic Zone. A 25-year operation and maintenance services contract was also awarded to the Group for this project. In the next 12 months, the Group will be focused on executing its order book with ongoing construction of the Qurayyat IWP in Oman, projects in the Kingdom of Saudi Arabia and the TuasOne WTE project in Singapore.

During the quarter, the Group commenced commercial operation for the Tuaspring power plant in Singapore. However, if the current challenging market landscape of low electricity prices continues, the power plant is expected to incur losses.

Overall, the Group remained cautious on the market due to short-term challenges arising from depressed oil prices and slower economic growth. The Group will continue to pursue projects in the Middle East, Africa, Americas and parts of Asia, as well as explore divestment opportunities to recycle capital for growth.



11. Dividend

(a) Current financial period reported on.

Any dividend recommended for the current financial period reported on?

Yes.

In February 2016, the Company declared a tax-exempt (one-tier) dividend to holders of perpetual preference shares, calculated on the basis of 183 days from (and including) 25 October 2015 to (but excluding) 25 April 2016 (being the relevant dividend period). The said preference dividend of \$12.1 mil was paid on 25 April 2016.

In January 2016, the Company paid dividends of \$8.7 mil on its \$300.0 mil issued at 5.75% per annum perpetual capital securities and \$4.2 mil on its \$175.0 mil issued at 4.80% per annum perpetual capital securities.

(b) Corresponding period of the immediately preceding financial year.

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes.

In February 2015, the Company declared a tax-exempt (one-tier) dividend to holders of perpetual preference shares, calculated on the basis of 182 days from (and including) 25 October 2014 to (but excluding) 25 April 2015 (being the relevant dividend period). The said preference dividend of \$12.0 mil was paid on 27 April 2015.

In January 2015, the Company paid dividends of \$8.7 mil on its \$300.0 mil issued at 5.75% per annum perpetual capital securities and \$4.2 mil on its \$175.0 mil issued at 4.80% per annum perpetual capital securities.

(c) Date payable.

Not applicable

(d) Books closure date.

Not applicable

12. If no dividend has been declared/recommendeded, a statement to that effect.

Not applicable.



13. If the group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No IPT mandate has been obtained from shareholders.

14. Confirmation pursuant to Rule 705(5) of the Listing Manual

The directors of the Company confirm that to the best of their knowledge, nothing has come to the attention of the board of directors which may render the financial results for the quarter ended 31 March 2016 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Lim Poh Fong
Company Secretary
12 May 2016

This page has been intentionally left blank.

TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

Applications are invited for the subscription of the Securities at the Issue Price on the terms and conditions set out below.

Investors applying for the Securities are required to pay S\$1,000 for each board lot of Securities applied for (at S\$1 per S\$1 in principal amount of the Securities), subject to the minimum application amount described below and to a refund of the full amount or, as the case may be, the balance of the application moneys (in each case without interest or any share of revenue or other benefit arising therefrom and without any right or claim against the Issuer or the Sole Lead Manager and Bookrunner) (i) where the application is invalid or unsuccessful, or is rejected or accepted in part only or rejected in full for any reason whatsoever, or (ii) if the Offer does not proceed for any reason.

1. **YOUR APPLICATION MUST BE MADE IN RESPECT OF (I) A MINIMUM OF S\$2,000 IN PRINCIPAL AMOUNT OF SECURITIES PER APPLICATION UNDER THE PUBLIC OFFER, (II) A MINIMUM OF S\$2,000 IN PRINCIPAL AMOUNT OF SECURITIES PER APPLICATION UNDER THE RESERVE OFFER AND (III) A MINIMUM OF S\$100,000 IN PRINCIPAL AMOUNT OF SECURITIES PER APPLICATION UNDER THE PLACEMENT OR, IN EACH CASE, HIGHER AMOUNTS IN INTEGRAL MULTIPLES OF S\$1,000 THEREOF.**

For example, your application for Securities under the Public Offer must be made in respect of a minimum of S\$2,000 in principal amount of the Public Offer Securities or you may subscribe for a higher amount in integral multiples of S\$1,000, such as S\$3,000 or S\$19,000 in principal amount of the Public Offer Securities. Should you be eligible, your application for the Reserve Offer Securities must be made in respect of a minimum of S\$2,000 in principal amount of the Reserve Offer Securities or you may subscribe for a larger amount in integral multiples of S\$1,000, such as S\$3,000 or S\$19,000 in principal amount of the Reserve Offer Securities. Your application for Securities under the Placement must be made in respect of a minimum of S\$100,000 in principal amount of the Placement Securities or you may subscribe for a higher amount in integral multiples of S\$1,000, such as S\$101,000 or S\$299,000 in principal amount of the Placement Securities.

2. Your application for the Public Offer Securities may only be made by way of the ATMs belonging to the participating banks (being DBS Bank (including POSB) and OCBC Bank (collectively, the **"Participating Banks"**) (**"ATM Electronic Application(s)"**), the Internet Banking (**"IB"**) websites belonging to DBS Bank at <<http://www.dbs.com>> and OCBC Bank at <<http://www.ocbc.com>> (**"Internet Electronic Application(s)"**), or the mobile banking interface of DBS Bank (**"mBanking Application(s)"**), which together with the ATM Electronic Application and Internet Electronic Applications, shall be referred to as **"Electronic Applications"**). Your application for the Reserve Offer Securities may only be made directly through the Issuer who will determine, at its sole discretion, the manner and method for applications under the Reserve Offer (the **"Reserve Offer Application(s)"**). Persons who are eligible (being the directors, management and employees of the Issuer and its subsidiaries) to apply for the Reserve Offer Securities may also apply for Public Offer Securities and/or the Placement Securities. Applications for Placement Securities may only be made directly through the Sole Lead Manager and Bookrunner, who will determine, at its discretion, the manner and method for applications under the Placement (the **"Placement Application(s)"**). **YOU MAY NOT USE YOUR CPF FUNDS OR SRS FUNDS TO APPLY FOR THE SECURITIES.**

3. Investors who wish to subscribe for Securities under the Public Offer may apply for the Public Offer Securities by way of Electronic Application from 9.00 a.m. on 18 May 2016 to 12 noon on 25 May 2016. The Issuer may, at its absolute discretion, and with the approval of the SGX-ST (if required) and the agreement of the Sole Lead Manager and Bookrunner, change the time(s) and/or date(s) stated above, subject to all applicable laws and regulations. In particular, the Issuer will, if so agreed with the Sole Lead Manager and Bookrunner, have the absolute discretion to close the Public Offer, the Reserve Offer and/or the Placement early. In such an event, the Issuer will publicly announce the same through an SGXNET announcement to be posted on the SGX-ST's website at <<http://www.sgx.com>>.
4. The Reserve Offer Securities will only be made available to the directors, management and employees of the Issuer and its subsidiaries directly through the Issuer, who will determine, at its discretion, the manner and method for applications under the Reserve Offer in Singapore. Those eligible investors (being the directors, management and employees of the Issuer and its subsidiaries) who wish to subscribe for Reserve Offer Securities may make an application directly through the Issuer from 5.00 p.m. on 17 May 2016 to 5.00 p.m. on 20 May 2016. The Issuer may, at its absolute discretion, and with the approval of the SGX-ST (if required) and the agreement of the Sole Lead Manager and Bookrunner, change the time(s) and/or date(s) stated above, subject to all applicable laws and regulations.
5. The Placement Securities will only be made available to institutional and other investors directly through the Sole Lead Manager and Bookrunner, who will determine, at its discretion, the manner and method for applications under the Placement. Those investors who wish to subscribe for Placement Securities may make an application directly through the Sole Lead Manager and Bookrunner from 9.00 a.m. on 18 May 2016 to 12 noon on 25 May 2016 (and/or such other time(s) and/or date(s) as the Issuer may, at its absolute discretion, decide, with the approval of the SGX-ST (if required) and the agreement of the Sole Lead Manager and Bookrunner, and subject to any limitation under any applicable laws). In particular, the Issuer will, if so agreed with the Sole Lead Manager and Bookrunner, have the absolute discretion to close the Placement early, and to re-open the Placement. In any event, the Issuer will publicly announce the same through an SGXNET announcement to be posted on the website of the SGX-ST at <<http://www.sgx.com>>.
6. **Only ONE application may be made for the benefit of one person for the Public Offer Securities in his own name. Multiple applications for the Public Offer Securities will be rejected, except in the case of applications by approved nominee companies where each application is made on behalf of a different beneficiary.**

You may not submit multiple applications for the Securities under the Public Offer via ATM Electronic Application, Internet Electronic Application and/or mBanking Application. For example, a person who is submitting an application for the Public Offer Securities by way of an ATM Electronic Application may not submit another application for the Public Offer Securities by way of an Internet Electronic Application or an mBanking Application. Such separate applications will be deemed to be multiple applications and shall be rejected.

Joint or multiple applications for the Public Offer Securities shall be rejected. Persons submitting or procuring submissions of multiple applications for the Public Offer Securities may be deemed to have committed an offence under the Penal Code, Chapter 224 of Singapore and the SFA, and such applications may be referred to the relevant authorities for investigation. Multiple applications or those appearing to be or suspected of being multiple applications (other than as provided herein) will be liable to be rejected at the discretion of the Issuer.

MULTIPLE APPLICATIONS MAY BE MADE IN THE CASE OF APPLICATIONS BY ANY PERSON FOR THE (I) PLACEMENT SECURITIES OR (II) PLACEMENT SECURITIES AND/OR IF ELIGIBLE, THE RESERVE OFFER SECURITIES, TOGETHER WITH A SINGLE APPLICATION FOR THE PUBLIC OFFER SECURITIES.

7. The Issuer will not accept applications from any person under the age of 18 years, undischarged bankrupts, sole-proprietorships, partnerships, non-corporate bodies, joint Securities Account holders of CDP and applicants whose addresses bear post office box numbers. No person acting or purporting to act on behalf of a deceased person is allowed to apply under a Securities Account in the name of the deceased person at the time of application.
8. The Issuer will not recognise the existence of any trust. Any application by a trustee or trustees must be made in his/their own name(s) and without qualification.
9. **IF YOU ARE MAKING AN ELECTRONIC APPLICATION FOR SECURITIES UNDER THE PUBLIC OFFER, YOU MUST MAINTAIN A SECURITIES ACCOUNT WITH CDP IN YOUR OWN NAME AT THE TIME OF APPLICATION. IF YOU DO NOT HAVE AN EXISTING SECURITIES ACCOUNT WITH CDP IN YOUR OWN NAME AT THE TIME OF APPLICATION, YOU WILL NOT BE ABLE TO COMPLETE YOUR ELECTRONIC APPLICATION. IF YOU HAVE AN EXISTING SECURITIES ACCOUNT WITH CDP BUT FAIL TO PROVIDE YOUR SECURITIES ACCOUNT NUMBER OR PROVIDE AN INCORRECT SECURITIES ACCOUNT NUMBER IN YOUR ELECTRONIC APPLICATION, AS THE CASE MAY BE, YOUR APPLICATION IS LIABLE TO BE REJECTED.**
10. **NOMINEE APPLICATIONS MAY ONLY BE MADE BY APPROVED NOMINEE COMPANIES.** Approved nominee companies are defined as banks, merchant banks, finance companies, insurance companies, licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by nominees other than approved nominee companies shall be rejected.
11. Subject to paragraphs 13, 16 and 18 below, your application is liable to be rejected if any of your particulars such as your name, National Registration Identity Card (“**NRIC**”) number or passport number or company registration number, nationality and permanent residence status, and Securities Account number contained in the records of the relevant Participating Bank at the time of your Electronic Application, or furnished in your Reserve Offer Application or Placement Application, as the case may be, differs from the particulars in your Securities Account as maintained by CDP. If you have more than one individual direct Securities Account with CDP, your application shall be rejected.
12. **If your address contained in the records of the relevant Participating Bank is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the confirmation note on successful allocation from CDP will be sent to your address last registered with CDP.**
13. The Issuer reserves the right to reject any application for Securities where the Issuer believes or has reason to believe that such applications may violate the securities laws of any jurisdiction.
14. No person in any jurisdiction outside Singapore receiving this Offer Information Statement and the Product Highlights Sheet may treat the same as an offer or invitation to subscribe for any Securities unless such an offer or invitation could lawfully be made without compliance with any regulatory or legal requirements in those jurisdictions.

15. This Offer Information Statement and the Product Highlights Sheet have not been and will not be registered in any jurisdiction other than the lodgement of this Offer Information Statement and the Product Highlights Sheet with the Authority in accordance with the requirements of the SFA. The distribution of this Offer Information Statement and the Product Highlights Sheet may be prohibited or restricted (either absolutely or unless various relevant securities requirements, whether legal, administrative or otherwise, are complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. Without limiting the generality of the foregoing, neither this Offer Information Statement, the Product Highlights Sheet nor any copy thereof may be published or distributed, directly or indirectly, in whole or in part, in or into the United States or to U.S. persons (as defined in Regulation S) and they do not constitute an offer of securities for sale into the United States or any jurisdiction in which such offer is not authorised or to any person to whom it is unlawful to make such an offer. The Securities have not been and will not be registered under the Securities Act or under any securities laws of any state or other jurisdiction of the United States, subject to certain exceptions, and may not be offered, sold or delivered, directly or indirectly within the United States or to, or for the account or benefit of U.S. persons (as defined in Regulation S). The Securities are being offered, sold or delivered outside the United States in “offshore transactions” (as defined in Regulation S) to non-U.S. persons in reliance on, and in compliance with, Regulation S. You represent, agree and acknowledge that you are not a U.S. person (as defined in Regulation S) or acting for the account or benefit of a person within the United States or a U.S. person (as defined in Regulation S), and are purchasing the Securities in an “offshore transaction” (as defined in Regulation S) and acknowledge and agree that such purchase is not a result of any directed selling efforts (as defined in Regulation S) in the United States. There will be no public offer of the Securities in the United States. Any failure to comply with this restriction may constitute a violation of the United States securities laws.
16. The Issuer reserves the right to reject any application which does not conform strictly to the instructions set out in this Offer Information Statement or which does not comply with the instructions for the Electronic Application or with the terms and conditions of this Offer Information Statement or which is accompanied by an improperly drawn or improper form of remittance. The Issuer further reserves the right to treat as valid any application not completed or submitted or effected in all respects in accordance with the instructions set out in this Offer Information Statement and in the Electronic Application and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof.
17. Without prejudice to the rights of the Issuer, the Sole Lead Manager and Bookrunner, as agent of the Issuer, has been authorised to accept, for and on behalf of the Issuer, such other forms of application as the Sole Lead Manager and Bookrunner may deem appropriate.
18. The Issuer and the Sole Lead Manager and Bookrunner reserve the right to reject or accept any application in whole or in part, or to scale down or ballot any application, without assigning any reason therefor, and no enquiry and/or correspondence on their decision will be entertained. This right applies to all applications for the Securities. In deciding the basis of allotment, the Issuer and the Sole Lead Manager and Bookrunner will give due consideration to the desirability of allotting the Securities to a reasonable number of applicants with a view to establishing an adequate market for the Securities.
19. If the Public Offer and/or the Placement is oversubscribed, the Issuer may, at its discretion and in consultation with the Sole Lead Manager and Bookrunner, increase the issue size 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. 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 reserves the right to cancel the Offer in the event that less than S\$100,000,000 applications in aggregate principal amount are received under the Offer.

20. Unless indicated otherwise, all information in this Offer Information Statement assumes that no Securities have been reallocated between the Public Offer, the Reserve Offer and the Placement.
21. The Global Certificate representing the Securities will be registered in the name of CDP and will be forwarded only to CDP. Upon crediting of the Securities allocated and issued to you to your Securities Account (one Market Day before the Securities are listed on the Mainboard of the SGX-ST), it is expected that CDP will send to you, at your own risk, within three Market Days after the date on which the Securities are credited, a confirmation note stating the number of Securities credited to your Securities Account. This will be the only acknowledgement of application moneys received and is not an acknowledgement by the Issuer. You irrevocably consent to the collection, use and disclosure of your name, NRIC/passport number or company registration number, address, nationality, permanent residence status, Securities Account number and application amount from your account with the relevant Participating Bank to the SGX-ST, CDP, Securities Clearing and Computer Services (Pte) Ltd ("**SCCS**"), the Issuer, the Sole Lead Manager and Bookrunner, and other authorised operators (the "**Relevant Parties**"). You further irrevocably authorise CDP to complete and sign on your behalf as transferee or renounce any instrument of transfer and/or other documents required for the transfer of the Securities allotted to you. These authorisations apply to all applications for the Securities where applicable.
22. In the case of an ATM Electronic Application, by pressing the "Enter" or "OK" or "Confirm" or "Yes" key or any other relevant key on the ATM of any relevant Participating Bank or, in the case of an Internet Electronic Application by clicking "Submit" or "Continue" or "Yes" or "Confirm" or any other relevant button on the IB website screen of DBS Bank or OCBC Bank, or in the case of an mBanking Application, by transmitting "Submit" or "Continue" or "Yes" or "Confirm" or any other icon via the mobile banking interface of DBS Bank, in each case in accordance with the provisions herein or, in the case of an application under the Reserve Offer, by submitting a Reserve Offer Application through the Issuer or, in the case of an application under the Placement, by submitting a Placement Application through the Sole Lead Manager and Bookrunner, you:
 - (a) irrevocably agree and undertake to subscribe for the principal amount of Securities specified in your application (or such smaller principal amount for which the application is accepted) at the Issue Price and agree that you will accept such principal amount of Securities as may be allocated to you, in each case on the terms of, and subject to the conditions set out in, this Offer Information Statement;
 - (b) agree that where new circumstances arise, or changes in the affairs of the Issuer or the Group occur after the date of this Offer Information Statement but prior to the issue of the Securities, and are material, or are required to be disclosed by law and/or the rules of the SGX-ST, and the Issuer makes an announcement of the same to the SGX-ST, your application for the Securities which was received by the Issuer prior to the release of such announcement will remain valid and irrevocable notwithstanding the release of such announcement. If a supplementary or replacement document is lodged, such supplementary or replacement document will set out the additional terms and conditions

relating to applications for the Securities and applications received by the Issuer prior to the lodgement of such supplementary or replacement document will be subject to such terms and conditions;

- (c) agree that in the event of any inconsistency between the terms and conditions for application set out in this Offer Information Statement and those set out in the ATMs of the Participating Banks, the IB website screens of DBS Bank or OCBC Bank or the mobile banking interface of DBS Bank, the terms and conditions set out in this Offer Information Statement shall prevail;
- (d) in the case of an application for the Public Offer Securities, agree that the Public Offer Securities are payable in full upon application;
- (e) in the case of an application for Reserve Offer Securities, agree that the Reserve Offer Securities are payable in full to the Issuer at the time of application;
- (f) in the case of an application for the Placement Securities, agree that the Placement Securities are payable in full on or about the Issue Date, unless otherwise agreed by the Issuer and the Sole Lead Manager and Bookrunner;
- (g) consent to the collection, use and disclosure of your name, NRIC/passport number or company registration number, address, nationality, permanent residence status, Securities Account number and application amount from your account with the relevant Participating Bank and other personal data (“**Personal Data**”) to the Relevant Parties for the purpose of facilitating your application for the Securities, and warrant that where you, as an approved nominee company, disclose the Personal Data of the beneficial owner(s) to the Relevant Persons, such disclosure is in compliance with all applicable laws;
- (h) warrant the truth and accuracy of the information contained, and representations and declarations made, in your application, and acknowledge and agree that such information, representations and declarations will be relied on by the Issuer and the Sole Lead Manager and Bookrunner in determining whether to accept your application and/or whether to allocate any Securities to you;
- (i) agree and warrant that, if the laws of any jurisdictions outside Singapore are applicable to your application, you have complied with all such laws and the Issuer and the Sole Lead Manager and Bookrunner will not infringe any such laws as a result of the acceptance of your application;
- (j) agree and confirm that you are outside the United States and not a U.S. person (as defined in Regulation S); and
- (k) understand that the Securities have not been and will not be registered under the Securities Act or under any securities laws of any state or other jurisdiction of the United States and subject to certain exceptions, may not be offered, sold or delivered directly or indirectly within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S). The Securities are being offered, sold or delivered outside the United States in “offshore transactions” (as defined in Regulation S) to non-U.S. persons in reliance on, and in compliance with, Regulation S. You represent, agree and acknowledge that you are not a U.S. person (as defined in Regulation S) or acting for the account or benefit of a person within the United States or a U.S. person (as defined in Regulation S), and are purchasing the Securities in an “offshore transaction” (as defined in Regulation S) and acknowledge and agree that such purchase is not a result

of any directed selling efforts (as defined in Regulation S) in the United States. There will be no public offer of the Securities in the United States. Any failure to comply with this restriction may constitute a violation of the United States' securities laws.

23. You irrevocably authorise CDP to disclose the outcome of your application, including the principal amount of Securities allocated to you pursuant to your application, to the Issuer, the Sole Lead Manager and Bookrunner and/or any other parties so authorised by CDP, the Issuer and/or the Sole Lead Manager and Bookrunner.
24. No application will be held in reserve.
25. No Securities shall be allotted or allocated on the basis of this Offer Information Statement later than six months after the date of lodgement of this Offer Information Statement with the Authority.
26. Additional terms and conditions for applications by way of Electronic Applications are set out in Appendix G entitled "**ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS**" of this Offer Information Statement.
27. Any reference to "you" or the "applicant" in this section shall include an individual applying for the Securities under the Public Offer by way of an Electronic Application, an eligible person (being the directors, management and employees of the Issuer and its subsidiaries) applying for the Securities under the Reserve Offer or an individual, a corporation, an approved nominee company or trustee applying for the Securities under the Placement (or in such other manner or method as the Sole Lead Manager and Bookrunner will determine, at its discretion).

This page has been intentionally left blank.

ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS

Electronic Applications shall be made subject to the terms and conditions of this Offer Information Statement, including but not limited to, the terms and conditions appearing below and those set out under Appendix F entitled “**TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE**” of this Offer Information Statement.

Issue Price	:	S\$1 per S\$1 in principal amount of the Securities (being 100 per cent. in principal amount of the Securities).
Application Amount	:	In multiples of S\$1,000 (subject to a minimum of S\$2,000).
Application Period	:	9.00 a.m. on 18 May 2016 to 12 noon on 25 May 2016 (or such other time(s) and/or date(s) as the Issuer may (at its absolute discretion) decide, with the approval of the SGX-ST (if required) and the agreement of the Sole Lead Manager and Bookrunner, and subject to any limitation under any applicable laws).

1. The procedures for Electronic Applications are set out on the ATM screens (in the case of ATM Electronic Application) of the Participating Banks, the IB website screens (in the case of Internet Electronic Application) of DBS Bank and OCBC Bank, and the mobile banking interface (in the case of mBanking Application) of DBS Bank. Currently, DBS Bank is the only Participating Bank through which mBanking Application may be made.
2. For illustration purposes, the procedures for Electronic Applications through the ATMs of the Participating Banks, the IB websites of DBS Bank and OCBC Bank and the mobile banking interface of DBS Bank (together, the “**Steps**”) are set out in the sub-sections “Steps for ATM Electronic Application through the ATMs of the Participating Banks” appearing on pages G-7 to G-12 of this Offer Information Statement, “Steps for Internet Electronic Applications through the IB websites of DBS Bank and OCBC Bank” appearing on pages G-12 to G-15 of this Offer Information Statement and “Steps for mBanking Application through the mobile banking interface of DBS Bank” appearing on pages G-15 to G-16 of this Offer Information Statement. Please read carefully the terms of this Offer Information Statement, the Steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application. Any reference to “you” or the “applicant” in this section entitled “**ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATION**” and the Steps shall refer to you making an application for Securities under the Public Offer through an ATM of the relevant Participating Bank, the IB website of DBS Bank or OCBC Bank or the mobile banking interface of DBS Bank.
3. Applications for the Securities under the Public Offer by way of ATM Electronic Application, Internet Electronic Application or mBanking Application will incur a non-refundable administrative fee of S\$2 which will be charged at the point of application.
4. If you are making an ATM Electronic Application:
 - (a) You must have an existing bank account with, and be an ATM cardholder of, the relevant Participating Bank before you can make an ATM Electronic Application at the ATMs of the relevant Participating Bank. An ATM card issued by one Participating Bank cannot be used to apply for the Public Offer Securities at an ATM belonging to another Participating Bank.

- (b) You must ensure that you enter your own Securities Account number when using the ATM card issued to you in your own name. If you fail to use an ATM card issued in your own name or do not key in your own Securities Account number, your application will be rejected. If you operate a joint bank account with the relevant Participating Bank, you must ensure that you enter your own Securities Account number when using the ATM card issued to you in your own name. Using your own Securities Account number with an ATM card which is not issued to you in your own name will render your ATM Electronic Application liable to be rejected.
 - (c) Upon the completion of your ATM Electronic Application transaction, you will receive an ATM transaction slip ("**ATM Transaction Record**"), confirming the details of your ATM Electronic Application. The ATM Transaction Record is for your retention. No report or letter will be sent to you.
5. If you are making an Internet Electronic Application:
- (a) You must have an existing bank account with, as well as a User Identification ("**User ID**") and a Personal Identification Number ("**PIN**") given by, DBS Bank or OCBC Bank.
 - (b) You must ensure that the mailing address of your account selected for the application is in Singapore and you must declare that the application is being made in Singapore. Otherwise, your application is liable to be rejected. In connection with this, you will be asked to declare that you are in Singapore at the time you make the application.
 - (c) Upon the completion of your Internet Electronic Application through the IB website of DBS Bank or OCBC Bank, there will be an on-screen confirmation ("**IB Confirmation Screen**") of the application which can be printed out by you for your record. This printed record of the IB Confirmation Screen is for your retention.
6. If you are making an mBanking Application:
- (a) You must have an existing bank account with, as well as a User ID and a PIN given by DBS Bank.
 - (b) You must ensure that the mailing address of your account selected for the application is in Singapore and you must declare that the application is being made in Singapore. Otherwise, your application is liable to be rejected. In connection with this, you will be asked to declare that you are in Singapore at the time you make the application.
 - (c) Upon the completion of your mBanking Application through the mobile banking interface of DBS Bank, there will be an on-screen confirmation ("**Confirmation Screen**") of the application which can be printed out by you for your record. This printed record of the Confirmation Screen is for your retention.
7. If you do not have an existing Securities Account with CDP in your own name at the time of your application, you will not be able to complete your Electronic Application. If you have an existing Securities Account with CDP but fail to provide your Securities Account number or provide an incorrect Securities Account number in your Electronic Application, your application is liable to be rejected. Subject to the following paragraph, your application shall be rejected if any of your particulars such as name, NRIC/passport number or company registration number, nationality, permanent residence status and Securities Account number contained in the records of the relevant Participating Bank differs from the particulars in your Securities Account as maintained with CDP. If you possess more than one individual direct Securities Account with CDP, your application shall be rejected.

8. Your Electronic Application shall be made on the terms and subject to the conditions of this Offer Information Statement including but not limited to the terms and conditions appearing below and those set out under Appendix F entitled “**TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE**” of this Offer Information Statement.
9. In connection with your Electronic Application for Securities under the Public Offer, you are deemed to have confirmed statements to the following effect in the course of activating your Electronic Application:
 - (a) that you have received a copy of this Offer Information Statement and have read, understood and agreed to all the terms and conditions of application for the Public Offer Securities in this Offer Information Statement prior to effecting the Electronic Application and agree to be bound by the same;
 - (b) that, for the purposes of facilitating your application, you consent to the collection, use and disclosure, by the relevant Participating Bank, of your Personal Data with that Participating Bank to the Relevant Parties; and
 - (c) that the Electronic Application made is your only application for the Public Offer Securities and it is made in your own name and at your own risk.
10. Your application will not be successfully completed and cannot be recorded as a completed transaction unless you press the “Enter” or “OK” or “Confirm” or “Yes” key or any other relevant key in the ATM or click “Confirm” or “OK” or “Submit” or “Continue” or “Yes” or any other relevant button on the IB website screen or the mobile banking interface. By doing so, you shall be treated as signifying your confirmation of each of paragraphs 9(a) to 9(c) above. In respect of paragraph 9(b) above, your confirmation, by pressing the “Enter” or “OK” or “Confirm” or “Yes” key or any other relevant key in the ATM or by clicking “Confirm” or “OK” or “Submit” or “Continue” or “Yes” or any other relevant button on the IB website screen or the mobile banking interface, shall signify and shall be treated as your written permission, given in accordance with the relevant laws of Singapore including Section 47(2) of the Banking Act, Chapter 19 of Singapore to the disclosure by the relevant Participating Bank of your Personal Data with that Participating Bank to the Relevant Parties.
11. By making an Electronic Application, you confirm that you are not applying for Securities under the Public Offer as a nominee of any other person and that any Electronic Application that you make is the only application made by you as beneficial owner. You shall make only one Electronic Application for the Public Offer Securities and shall not make any other application for the Public Offer Securities whether at the ATMs of any Participating Bank, the IB websites of DBS Bank or OCBC Bank or the mobile banking interface of DBS Bank.
12. You must have sufficient funds in your bank account with the relevant Participating Bank at the time you make your ATM Electronic Application, Internet Electronic Application or mBanking Application, failing which such Electronic Application will not be completed. **Any Electronic Application which does not conform strictly to the instructions set out in this Offer Information Statement or on the screens of the ATMs of the relevant Participating Bank, the IB websites of DBS Bank or OCBC Bank or the mobile banking interface of DBS Bank, as the case may be, through which your Electronic Application is being made shall be rejected.**
13. You may apply and make payment for your Electronic Application for the Securities under the Public Offer through any ATM of your relevant Participating Bank or the IB websites of DBS Bank or OCBC Bank or the mobile banking interface of DBS Bank (as the case may be) by authorising your relevant Participating Bank to deduct the full amount payable from your

bank account(s) with such Participating Bank. An application for the Public Offer Securities under the Public Offer is subject to a minimum of S\$2,000 in principal amount of Securities per application or such higher amounts in integral multiples of S\$1,000 thereof.

14. You irrevocably agree and undertake to subscribe for and to accept the principal amount of Securities under the Public Offer applied for as stated on the ATM Transaction Record, the IB Confirmation Screen or the Confirmation Screen or any smaller principal amount of the Public Offer Securities that may be allocated to you in respect of your Electronic Application. In the event that the Issuer decides to allocate a smaller principal amount of such Public Offer Securities or not to allocate any Public Offer Securities to you, you agree to accept such decision as final. If your Electronic Application is successful, your confirmation (by your action of pressing the “Enter” or “OK” or “Confirm” or “Yes” key or any other relevant key on the ATM of any relevant Participating Bank or your action of clicking “Confirm” or “OK” or “Submit” or “Continue” or “Yes” or any other relevant button on the IB website screen of DBS Bank or OCBC Bank or your action of clicking “Confirm” or “OK” or “Submit” or “Continue” or “Yes” or any other relevant button on the mobile banking interface of DBS Bank) of the principal amount of the Public Offer Securities applied for shall signify and shall be treated as your acceptance of the principal amount of the Public Offer Securities that may be allocated to you. You also authorise CDP to complete and sign on your behalf as transferee or renounce any instrument of transfer and/or other documents required for the transfer of the Public Offer Securities that may be allotted to you.
15. The Issuer will not keep any applications in reserve. Where your Electronic Application 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 in Singapore dollars (without interest or any share of revenue or other benefit arising therefrom) to you by being automatically credited to your bank account with your relevant Participating Bank, at your own risk, within 24 hours after balloting of the Securities under the Public Offer, the receipt by such bank being a good discharge to the Issuer, the Sole Lead Manager and Bookrunner and CDP of their obligations, provided that the remittance in respect of such application has been honoured and application moneys received in the designated issue account.
16. If the Offer does not proceed for any reason, the full amount of application moneys (without interest or any share of revenue or other benefit arising therefrom) will be returned to you at your own risk within 14 days after the Offer is discontinued, in the manner described in the immediately preceding paragraph.
17. Responsibility for the timely refund of application moneys from unsuccessful or partially successful Electronic Applications lies with the relevant Participating Bank. Therefore, you are strongly advised to consult the relevant Participating Bank as to the status of your Electronic Application and/or the refund of any moneys to you from an unsuccessful or partially unsuccessful Electronic Application, to determine the exact number of Securities under the Public Offer allocated to you, if any, before trading the Securities on the Mainboard of the SGX-ST. None of the SGX-ST, CDP, SCCS, the Participating Banks, the Issuer or the Sole Lead Manager and Bookrunner assumes any responsibility for any loss that may be incurred as a result of your having to cover any net sell positions or from buy-in procedures activated by the SGX-ST.
18. **If your ATM Electronic Application, Internet Electronic Application or mBanking Application is unsuccessful, no notification will be sent by the relevant Participating Bank.**

19. Applicants who make ATM Electronic Application through the ATMs of the following Participating Banks may check the provisional results of their ATM Electronic Application as follows:

Bank	Telephone	Other Channels	Operating Hours	Service expected from
DBS Bank Ltd.	1800 339 6666 (POSB) 1800 111 1111 (DBS Bank)	Internet Banking < http://www.dbs.com > ⁽¹⁾	24 hours a day	Evening of the balloting day
Oversea-Chinese Banking Corporation Limited	1800 363 3333	Phone Banking/ATM/Internet Banking at < http://www.ocbc.com > ⁽²⁾	24 hours a day	Evening of the balloting day

Notes:

- (1) Applicants who have made an Internet Electronic Application through the IB website of DBS Bank or mBanking Application through the mobile banking interface of DBS Bank may also check the results of their applications through the same channels listed in the table above in relation to ATM Electronic Application made at the ATMs of DBS Bank.
- (2) Applicants who have made an ATM Electronic Application through an ATM or an Internet Electronic Application through the IB website of OCBC Bank may check the results of their applications through OCBC Bank Personal Internet Banking, OCBC Bank ATMs or OCBC Bank Phone Banking services.

The results of the Offer will be announced by the Issuer through an SGXNET announcement on or about **26 May 2016**.

20. Electronic Applications shall close at **12 noon on 25 May 2016** or such other time(s) and/or date(s) as the Issuer may (at its absolute discretion) decide, with the approval of the SGX-ST (if required) and the agreement of the Sole Lead Manager and Bookrunner and subject to any limitation under any applicable laws. All Internet Electronic Applications and mBanking Applications must be received by **12 noon on 25 May 2016**, or such other date(s) and time(s) as the Issuer may (at its absolute discretion) agree with the Sole Lead Manager and Bookrunner. Internet Electronic Applications and mBanking Applications are deemed to be received when they enter the designated information system of the relevant Participating Bank.
21. You are deemed to have irrevocably requested and authorised the Issuer to:
- register the Securities under the Public Offer allocated to you in the name of CDP for deposit into your Securities Account;
 - send the Global Certificate to CDP; and
 - return or refund (without interest or any share of revenue or other benefits arising therefrom) the full amount or, as the case may be, the balance of the amount paid on application in Singapore dollars, should your Electronic Application be accepted or rejected in part only or rejected in full, by automatically crediting your bank account with your relevant Participating Bank with the relevant amount within 24 hours after balloting of the Securities under the Public Offer, or should the Offer not proceed for any reason, within 14 days after the Offer is discontinued, the receipt by such bank being a good discharge to the Issuer, the Sole Lead Manager and Bookrunner and CDP of their obligations, PROVIDED THAT the remittance in respect of such application has been honoured and application moneys received in the designated issue account.

22. You irrevocably agree and acknowledge that your Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God and other events beyond the control of the relevant Participating Bank, the Issuer and/or the Sole Lead Manager and Bookrunner and if, in any such event, the Issuer, the Sole Lead Manager and Bookrunner and/or the relevant Participating Bank do not record or receive your Electronic Application, or data relating to your Electronic Application or the tape containing such data is lost, corrupted, destroyed or not otherwise accessible, whether wholly or partially for whatever reason, you shall be deemed not to have made an Electronic Application and you shall have no claim whatsoever against the Issuer, the Sole Lead Manager and Bookrunner and/or the relevant Participating Bank for the Securities under the Public Offer applied for or for any compensation, loss or damage.
23. The existence of a trust will not be recognised. Any Electronic Application by a trustee must be made in his own name and without qualification. The Issuer will reject all Electronic Applications by any person acting as nominee.
24. All your particulars in the records of your relevant Participating Bank at the time you make your Electronic Application shall be deemed to be true and correct and your relevant Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in your particulars after the making of your Electronic Application, you shall promptly notify your relevant Participating Bank.
25. **You should ensure that your personal particulars as recorded by both CDP and the relevant Participating Bank are correct and identical, otherwise, your Electronic Application is liable to be rejected.** You should promptly inform CDP of any change in address, failing which the confirmation note on successful allocation and other correspondence from CDP will be sent to your last registered address with CDP.
26. By making and completing an Electronic Application, you are deemed to have agreed that:
 - (a) in consideration of the Issuer making available the Electronic Application facility through the Participating Banks acting as agents of the Issuer, at the ATMs of the Participating Banks, the IB websites of DBS Bank and OCBC Bank and the mobile banking interface of DBS Bank:
 - (i) your Electronic Application is irrevocable;
 - (ii) your Electronic Application, the acceptance by the Issuer and the contract resulting therefrom under the offer of the Securities under the Public Offer shall be governed by and construed in accordance with the laws of Singapore and you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts; and
 - (iii) you represent and agree that you are not a U.S. person (as defined in Regulation S), you are outside the United States and are purchasing the Public Offer Securities in an “offshore transaction” (as defined in Regulation S) in accordance with Rule 903 of Regulation S, you are not purchasing the Public Offer Securities for the account or benefit of U.S. persons (as defined in Regulation S) and you acknowledge and agree that such purchase is not a result of any directed selling efforts (as defined in Regulation S) in the United States;

- (b) none of the Issuer, the Sole Lead Manager and Bookrunner, the Participating Banks or CDP shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to your Electronic Application to them or CDP due to a breakdown or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 22 above or to any cause beyond their respective control;
- (c) in respect of the Public Offer Securities for which your Electronic Application has been successfully completed and not rejected, acceptance of your Electronic Application shall be constituted by written notification by or on behalf of the Issuer and not otherwise, notwithstanding any payment received by or on behalf of the Issuer;
- (d) you will not be entitled to exercise any remedy of rescission or misrepresentation at any time after acceptance of your Electronic Application;
- (e) reliance is placed solely on the information contained in this Offer Information Statement and that none of the Issuer, the Sole Lead Manager and Bookrunner, the Trustee, or the Agents or any other person involved in the Offer shall have any liability for any information not so contained; and
- (f) you irrevocably agree and undertake to subscribe for the principal amount of Public Offer Securities applied for as stated in your Electronic Application or any smaller principal amount of such Public Offer Securities that may be allocated to you in respect of your Electronic Application. In the event the Issuer, in consultation with the Sole Lead Manager and Bookrunner, decides to allocate any smaller principal amount of such Public Offer Securities or not to allocate any Public Offer Securities to you, you agree to accept such decision as final.

Steps for ATM Electronic Application through the ATMs of the Participating Banks

Step-by-step instructions for ATM Electronic Applications will appear on the ATM screens of the relevant Participating Bank. For illustration purposes, the steps for making an Electronic Application through the ATMs of DBS Bank (including POSB) and OCBC Bank are shown below.

ATM Electronic Application through the ATMs of DBS Bank (including POSB)

Certain words appearing on the screen are in abbreviated form (“A/C”, “amt”, “appln”, “CDP”, “CPF”, “&”, “Max.”, “SGX”, “No.” and “PIN” refer to “Account”, “amount”, “application”, “The Central Depository (Pte) Limited”, “Central Provident Fund”, “and”, “Maximum”, “SGX-ST”, “Number” and “Personal Identification Number” respectively).

Steps

- Step 1 : Insert your personal DBS Bank or POSB ATM Card.
- 2 : Enter your Personal Identification Number.
- 3 : Select “MORE SERVICES”.
- 4 : Select language (for customers using multi-language card).
- 5 : Select “ESA-IPO/RIGHT APPLN/BONDS/SSB/SGS/INVESTMENTS”.
- 6 : Select “ELECTRONIC SECURITY APPLN (IPOS/BOND/SECURITIES)”.

7 : Read and understand the following statements which will appear on the screen:

- **(IN THE CASE OF A SECURITIES OFFERING THAT IS SUBJECT TO A PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT LODGED WITH AND/OR REGISTERED BY THE MONETARY AUTHORITY OF SINGAPORE OR, AS THE CASE MAY BE, THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED) THE OFFER OF SECURITIES (OR UNITS OF SECURITIES) WILL BE MADE IN, OR ACCOMPANIED BY, A COPY OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT (AND IF APPLICABLE, A COPY OF THE REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT) OR, IF APPLICABLE, A SIMPLIFIED DISCLOSURE DOCUMENT (AS SUPPLEMENTED OR REPLACED, IF APPLICABLE) AND/OR PRODUCT HIGHLIGHTS SHEET WHICH CAN BE OBTAINED FROM THE ISSUE MANAGER AND WHERE APPLICABLE, DBS/POSB BRANCHES IN SINGAPORE AND THE VARIOUS PARTICIPATING BANKS DURING BANKING HOURS, SUBJECT TO AVAILABILITY.**

(Press "ENTER" to continue)

- **(IN THE CASE OF A SECURITIES OFFERING THAT (I) IS SUBJECT TO A PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT LODGED WITH AND/OR REGISTERED BY THE MONETARY AUTHORITY OF SINGAPORE OR THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED OR (II) REQUIRES A SIMPLIFIED DISCLOSURE DOCUMENT AND/OR PRODUCT HIGHLIGHTS SHEET TO BE ANNOUNCED OR OTHERWISE DISSEMINATED TO THE SECURITIES MARKET OPERATED BY THE SECURITIES EXCHANGE AT THE TIME THE OFFER IS MADE) ANYONE WISHING TO ACQUIRE THESE SECURITIES (OR UNITS OF SECURITIES) SHOULD READ THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT (AS SUPPLEMENTED OR REPLACED, IF APPLICABLE) AND/OR PRODUCT HIGHLIGHTS SHEET BEFORE SUBMITTING HIS APPLICATION WHICH WILL NEED TO BE MADE IN THE MANNER SET OUT IN THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT (AS SUPPLEMENTED OR REPLACED, IF APPLICABLE) OR, IF APPLICABLE, A SIMPLIFIED DISCLOSURE DOCUMENT (AS SUPPLEMENTED OR REPLACED, IF APPLICABLE). A COPY OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT, AND IF APPLICABLE, A COPY OF THE REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT HAS BEEN LODGED WITH AND/OR REGISTERED BY THE MONETARY AUTHORITY OF SINGAPORE OR, AS THE CASE MAY BE, THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED, WHICH TAKES NO RESPONSIBILITY FOR ITS OR THEIR CONTENTS. WHERE APPLICABLE, A COPY OF THE SIMPLIFIED DISCLOSURE DOCUMENT (AS SUPPLEMENTED OR REPLACED, IF APPLICABLE) AND/OR PRODUCT HIGHLIGHTS SHEET, WHICH ARE AVAILABLE ON OUR WEBSITE HAS BEEN ANNOUNCED OR OTHERWISE DISSEMINATED TO THE SECURITIES MARKET OPERATED BY THE SECURITIES EXCHANGE, WHICH TAKES NO RESPONSIBILITY FOR ITS OR THEIR CONTENTS.**

(Press "ENTER" to continue)

- **(IN THE CASE OF A SECURITIES OFFERING THAT DOES NOT REQUIRE A PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT TO BE LODGED WITH AND/OR REGISTERED BY THE MONETARY AUTHORITY OF SINGAPORE OR THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED) THE OFFER OF SECURITIES (OR UNITS OF SECURITIES) MAY BE MADE IN A NOTICE PUBLISHED IN A NEWSPAPER AND/OR A CIRCULAR/DOCUMENT DISTRIBUTED TO SECURITY HOLDERS. ANYONE WISHING TO ACQUIRE SUCH SECURITIES (OR UNITS OF SECURITIES) SHOULD READ THE NOTICE/CIRCULAR/DOCUMENT BEFORE SUBMITTING HIS APPLICATION, WHICH WILL NEED TO BE MADE IN THE MANNER SET OUT IN THE NOTICE/CIRCULAR/DOCUMENT.**

(Press "ENTER" to continue)

- **A REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/DOCUMENT/SIMPLIFIED DISCLOSURE DOCUMENT OR PROFILE STATEMENT CAN BE OBTAINED FROM THE ISSUE MANAGER AND WHERE APPLICABLE, DBS BANK/POSB BRANCHES IN SINGAPORE AND THE VARIOUS PARTICIPATING BANKS DURING BANKING HOURS, SUBJECT TO AVAILABILITY. IF YOU HAVE MADE AN APPLICATION TO ACQUIRE, OR HAVE ACQUIRED SECURITIES (OR UNITS OF SECURITIES) IN THE MANNER SET OUT IN THE PROSPECTUS/DOCUMENT/SIMPLIFIED DISCLOSURE DOCUMENT OR PROFILE STATEMENT, YOU NOW HAVE AN OPTION TO WITHDRAW YOUR APPLICATION OR RETURN THE SECURITIES (OR UNITS OF SECURITIES) ACQUIRED BY YOU (AS THE CASE MAY BE) IN THE MANNER SET OUT IN THE REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/DOCUMENT/SIMPLIFIED DISCLOSURE DOCUMENT OR PROFILE STATEMENT. YOU SHOULD READ THE REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/DOCUMENT/SIMPLIFIED DISCLOSURE DOCUMENT OR PROFILE STATEMENT BEFORE DECIDING WHETHER TO EXERCISE YOUR OPTION OR NOT.**

(Press "ENTER" to continue)

- **FOR SECURITY APPLNS, THE OFFER INFORMATION STATEMENT AND PRODUCT HIGHLIGHTS SHEET MAY BE OBTAINED ON REQUEST, SUBJECT TO AVAILABILITY, DURING OPERATING HOURS FROM SELECTED BRANCHES OF DBS BANK (INCL POSB).**

(Press "ENTER" to continue)

- **YOU SHOULD NOTE THAT THE SECURITIES ARE PERPETUAL IN NATURE AND, UNLIKE PLAIN VANILLA BONDS, DO NOT HAVE A FIXED REDEMPTION DATE. YOU WILL ONLY RECEIVE ALL OR PART OF YOUR INVESTMENT AMOUNT IF THE SECURITIES ARE (I) REDEEMED AT THE OPTION OF THE ISSUER IN ACCORDANCE WITH THE TERMS AND CONDITIONS, IN WHICH CASE YOU 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 YOU MAY INCUR LOSSES IF THE PROCEEDS FROM THE SALE IS LESS THAN YOUR ORIGINAL INVESTMENT. IN ADDITION, YOU SHOULD ALSO NOTE THAT, AS WITH TYPICAL PERPETUAL SECURITIES, PAYMENT OF DISTRIBUTIONS UNDER THE SECURITIES MAY ALSO BE DEFERRED FOR AN INDEFINITE PERIOD AND YOU HAVE NO RECOURSE TO THE ISSUER IF SUCH DEFERRAL IS MADE IN ACCORDANCE WITH THE TERMS AND CONDITIONS.**

(Press "ENTER" to continue)

8 : Select “HYF_PERP” to display details in relation to the Securities.

9: Press the “ENTER” key to acknowledge:

- YOU HAVE READ, UNDERSTOOD AND AGREED TO ALL THE TERMS OF APPLICATION AND (WHERE APPLICABLE) THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT/SIMPLIFIED DISCLOSURE DOCUMENT/PRODUCT HIGHLIGHTS SHEET, REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT/SIMPLIFIED DISCLOSURE DOCUMENT AND/OR NOTICE/CIRCULAR.
- FOR THE PURPOSES OF FACILITATING YOUR APPLICATION, YOU CONSENT TO DBS BANK COLLECTING AND USING YOUR NAME, NRIC/PASSPORT NUMBER, ADDRESS, NATIONALITY, CDP SECURITIES ACCOUNT NUMBER, CPF INVESTMENT ACCOUNT NUMBER, APPLICATION DETAILS AND OTHER PERSONAL DATA AND DISCLOSING THE SAME FROM DBS BANK’S RECORDS TO REGISTRARS OF SECURITIES OF THE ISSUER, SGX, CDP, CPF, ISSUER/VENDOR(S) AND ISSUE MANAGER(S).
- THIS APPLICATION/ACCEPTANCE IS MADE IN YOUR OWN NAME AND AT YOUR OWN RISK.
- FOR FIXED AND MAXIMUM PRICE SECURITIES APPLICATION, THIS IS YOUR ONLY APPLICATION AND IT IS MADE IN YOUR OWN NAME AND AT YOUR OWN RISK.
- THE MAXIMUM PRICE FOR EACH SECURITY IS PAYABLE IN FULL ON APPLICATION AND SUBJECT TO REFUND IF THE FINAL PRICE IS LOWER.
- FOR TENDER SECURITIES APPLICATION, THIS IS YOUR ONLY APPLICATION AT THE SELECTED TENDER PRICE AND IT IS MADE IN YOUR NAME AND AT YOUR OWN RISK.
- YOU ARE NOT A US PERSON AS REFERRED TO IN (WHERE APPLICABLE) THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT, REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT AND/OR NOTICE/CIRCULAR.
- THERE MAY BE A LIMIT ON THE MAXIMUM NUMBER OF SECURITIES THAT YOU CAN APPLY FOR. SUBJECT TO AVAILABILITY, YOU MAY BE ALLOTTED/ ALLOCATED A SMALLER NUMBER OF SECURITIES THAN YOU APPLIED FOR.

10 : Select your nationality.

11. Select your payment method.

12. Select the DBS Bank account (Autosave/Current/Savings/Savings Plus) or the POSB account (Current/Savings) from which to debit your application moneys.

13. Enter the number of securities you wish to apply for using cash.

14. Enter or confirm (if your CDP Securities Account number has already been stored in DBS Bank's records) your own 12-digit CDP Securities Account number (Note: This step will be omitted automatically if your Securities Account Number has already been stored in DBS Bank's records).
15. Check the details of your securities application, your CDP Securities Account number, the principal amount of Securities applied and application amount on the screen and press the "ENTER" key to confirm your application.
16. Remove the ATM Transaction Record for your reference and retention only.

ATM Electronic Application through the ATMs of OCBC Bank

Certain words appearing on the screen are in abbreviated form ("a/c", "appln", "ESA", "no.", "qty" and "&" refer to "account", "application", "electronic share application", "number", "quantity" and "and", respectively).

Steps

- Step 1 : Insert your personal OCBC ATM Card.
- 2 : Select "LANGUAGE" (for customers using multi-language card).
 - 3 : Enter your Personal Identification Number (PIN)
 - 4 : Select "MORE SERVICES".
 - 5 : Select "INVESTMENTS SERVICES".
 - 6 : Select "ELECTRONIC SECURITY APPLN".
 - 7 : Select "HYF_PERP".
 - 8 : For an applicant making an Electronic Application at the ATM for the first time
 - (a) For non-Singaporeans
Press the "Yes" key if you are a permanent resident of Singapore, otherwise, press the "No" key.
 - (b) For Singaporeans
Enter your own Securities Account number (12 digits) e.g. 168101234567 and press the "Yes" key to confirm that the Securities Account number you have entered is correct.
 - 9 : Read and confirm your personal particulars.
 - 10 : Read and understand the following statements which will appear on the screen:

PLEASE NOTE AND ACKNOWLEDGE THAT:

- **WHERE APPLICABLE, A COPY OF THIS PROSPECTUS/OFFER INFORMATION STATEMENT HAS BEEN LODGED WITH AND/OR REGISTERED BY THE MONETARY AUTHORITY OF SINGAPORE AND/OR SGX-ST, WHICH ASSUMES NO RESPONSIBILITY TO ITS CONTENTS.**

- **WHERE APPLICABLE, THE PROSPECTUS/OFFER INFORMATION STATEMENT IS AVAILABLE AT VARIOUS PARTICIPATING BANKS.**

(Press “CONFIRM” to continue)

- **ANYONE WHO INTENDS TO SUBMIT AN APPLICATION FOR THESE SECURITIES SHOULD READ THE PROSPECTUS/OFFER INFORMATION STATEMENT BEFORE SUBMITTING HIS/HER APPLICATION IN THE MANNER SET OUT IN THE PROSPECTUS/OFFER INFORMATION STATEMENT.**
- **PLEASE CONFIRM THAT YOU HAVE READ, UNDERSTOOD AND AGREED TO ALL TERMS OF APPLICATION SET OUT IN THE PROSPECTUS/OFFER INFORMATION STATEMENT.**

(Press “CONFIRM” to continue)

PLEASE CONFIRM THAT

- **YOU CONSENT TO THE DISCLOSURE OF YOUR NRIC/PASSPORT NO., ADDRESS, NATIONALITY, SECURITIES A/C NO., QTY OF SECURITIES APPLIED FOR AND CPF INVESTMENT A/C NO., TO THE SHARE REGISTRAR, CDP, CPF, SCCS, ISSUER/VENDORS.**
- **THIS APPLICATION IS MADE IN YOUR OWN NAME AND AT YOUR OWN RISK.**

(Press “CONFIRM” to continue)

- **YOU ARE NOT A US PERSON/UNITED STATES PERSON AS REFERRED TO IN THE PROSPECTUS/DOCUMENT.**

(Press “CONFIRM” or “CANCEL” to continue)

11 : Enter the principal amount of the Securities you wish to apply.

12 : Select type of bank account from which to debit your application moneys.

13 : Check the details of your securities application appearing on the screen and press the “CONFIRM” key to confirm your application.

14 : Transaction completed and remove the ATM Transaction Record for your reference and retention only.

Steps for Internet Electronic Applications through the IB websites of DBS Bank and OCBC Bank

For illustrative purposes, the steps for making an Internet Electronic Application through the IB websites of DBS Bank and OCBC Bank are shown below.

Internet Electronic Application through the IB website of DBS Bank

Certain words appearing on the screen are in abbreviated form (“A/C”, “&”, “amt”, “CDP”, “CPF”, “SGX”, “No.” and “PIN” refer to “Account”, “and”, “Amount”, “The Central Depository (Pte) Limited”, “Central Provident Fund”, “SGX-ST”, “Number” and “Personal Identification Number” respectively).

Steps

- Step 1 : Click on DBS Bank website <www.dbs.com>.
- 2 : Login to Internet banking.
- 3 : Enter your User ID and PIN.
- 4 : Enter your DBS IB Secure PIN.
- 5 : Under “Invest” on the top navigation, select “Electronic Shares Application (ESA)”.
- 6 : Click “Yes” to represent and warrant, among others, that you are currently in Singapore, you have observed and complied with all applicable laws and regulations that your mailing address for DBS Internet Banking is in Singapore and that you are not a U.S. person (as such term is defined in Regulation S under the United States Securities Act of 1933, as amended). Click “Next” to proceed.
- 7 : Select your country of residence and click “Next”.
- 8 : Select “HYF_PERP” and click “Next”.
- 9 : Click on “Next” to confirm, among others:
- You have read, understood and agreed to all terms of this application and the Prospectus/Offer Information Statement/Document/Profile Statement/Simplified Disclosure Document and/or applicable notice/circular.
 - You consent to disclose your name, I/C or passport number, address, nationality, CDP Securities Account number, CPF Investment Account number, application details and other personal data and disclosing the same from DBS Bank’s records to registrars of securities of the issuer, SGX, CDP, CPF, issuer/vendor(s) and issue manager(s).
 - You are not a U.S. Person (as such term is defined in Regulation S under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”)).
 - You understand that the securities mentioned herein have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, any “U.S. person” (as defined in Regulation S under the U.S. Securities Act) except pursuant to an exemption from or in a transaction subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. There will be no public offer of the securities mentioned herein in the United States. Any failure to comply with this restriction may constitute a violation of the United States securities laws.
 - You agree that this application is made in your own name and at your own risk subject to the conditions of the securities application.
 - For FIXED/MAXIMUM price securities application, this is your only application. For TENDER price securities application, this is your only application at the selected tender price.

- For FOREIGN CURRENCY securities, subject to the terms of the issue, please note the following: the application moneys will be debited from your bank account in S\$, based on DBS Bank's prevailing board rates at the time of application. Any refund moneys will be credited in S\$ based on DBS Bank's prevailing board rates at the time of refund. The different prevailing board rates at the time of application and at the time of refund of application monies may result in either a foreign exchange profit or loss. Alternatively, application monies may be debited and refunds credited in S\$ at the same exchange rate.
- For 1ST-COME-1ST-SERVE securities, the number of securities applied for may be reduced, subject to availability at the point of application.

10 : Input details for the securities application, and click "Next".

11 : Verify the details of your securities application and click "Confirm" to confirm your application.

12 : You may print a copy of the IB Confirmation Screen for your reference and retention.

Internet Electronic Application through the IB website of OCBC Bank

Certain words appearing on the screen are in abbreviated form ("a/c", "appln", "ESA", "no." and "&" refer to "account", "application", "electronic share application", "number" and "and", respectively).

Steps

Step 1 : Connect to OCBC Bank website at <<http://www.ocbc.com>>.

2 : Locate the Personal Banking, "Login to Internet Banking" link on the right hand side.

3 : Enter your "Access Code" and "PIN" and click on "LOGIN". Thereafter, enter the One-Time password (OTP) and click "Submit".

4 : Select the tab "Investment & Trading" and click on "Initial public offering". You will be directed to the 'Apply for IPO' page.

5 : Answer the five questions under the section entitled "Fill in Details" by selecting "Yes" or "No" and selecting the relevant country of residence (you must be residing in Singapore to apply).

6 : Read the important information on "Electronic Security Application (ESA)" on the screen and click on the check box to acknowledge that you have read and understood the declaration.

7 : Under section "1. Select Securities", check the details of the securities counter that you wish to apply for and if there is more than one share or bond counter on the screen, select "HYF_PERP" by clicking on the appropriate radio button.

8 : Upon selection of "HYF_PERP", the offer information statement and offer information statement terms and conditions will be loaded. Read the important information on the screen and click on the check box at the bottom of the screen to acknowledge that you have read and understood the declaration.

Click on "Next".

9 : Under section “2. Investment Details”, key in principal amount of Securities you intend to apply for.

Click on “Next”.

10 : Under “Review Application”, check your personal details, details of the Securities counter you wish to apply for, payment mode and account to debit.

Click on “Submit”.

11 : Print the IB Confirmation Screen (optional) for your reference and retention only. You can also check the application status by clicking ‘Application Status’.

Steps for mBanking Application through the mobile banking interface of DBS Bank

For illustrative purposes, the steps for making an mBanking Application through the mobile banking interface of DBS Bank are shown below. Certain words appearing on the screen are in abbreviated form (“A/C”, “&”, “amt”, “CDP”, “CPF”, “SGX”, “No.” and “PIN” refer to “Account”, “The Central Depository (Pte) Limited”, “Central Provident Fund”, “and”, “Amount”, “SGX-ST”, “Number” and “Personal Identification Number”, respectively).

Steps

Step 1 : Click on DBS Bank mBanking application using your User ID and PIN and DBS IB Secure PIN.

2 : Select “Investment Services”.

3 : Select “Electronic Securities Application”.

4 : Select “Terms and Conditions” and read the Terms and Conditions of the Offer. Select “Yes” if you accept the Terms and Conditions and would like to proceed.

5 : Select “Yes” to proceed and to warrant, among others, that you are currently in Singapore, you have observed and complied with all applicable laws and regulations that your mailing address for DBS Internet Banking is in Singapore and that you are not a U.S. Person (as such term is defined in Regulation S under the United States Securities Act of 1933, as amended).

6 : Select your country of residence.

7 : Select “HYF_PERP”.

8 : Select “Yes” to confirm, among others:

- You are advised to read the Prospectus/Offer Information Statement/Document/Profile Statement (the “Document”) and if applicable, the Supplementary or Replacement Document carefully before applying for any security.
- You consent to DBS Bank collecting and using your name, NRIC/passport number, address, nationality, CDP Securities Account number, CPF investment account number (if applicable), application details and other personal data and disclosing the same from DBS Bank’s records to registrars of securities, SGX, CDP, CPF, issuer/vendor(s) and the issue manager(s).

- You are not a U.S. Person (as such term is defined in Regulation S under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”)).
- You understand that the securities mentioned herein have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, any “U.S. person” (as defined in Regulation S under the U.S. Securities Act) except pursuant to an exemption from or in a transaction subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. There will be no public offer of the securities mentioned herein in the United States. Any failure to comply with this restriction may constitute a violation of the United States securities laws.
- This application is made in your own name and at your own risk.
- For FIXED/MAXIMUM price securities application, this is your only application. For TENDER price securities application, this is your only application at the selected tender price.
- For FOREIGN CURRENCY securities, subject to the terms of the issue, please note the following: the application moneys will be debited from your bank account in S\$, based on DBS Bank’s prevailing board rates at the time of application. Any refund moneys will be credited in S\$ based on DBS Bank’s prevailing board rates at the time of refund. The different prevailing board rates at the time of application and at the time of refund of application moneys may result in either a foreign exchange profit or loss. Alternatively, application moneys may be debited and refunds credited in S\$ at the same exchange rate.
- For 1ST-COME-1ST-SERVE securities, the number of securities applied for may be reduced, subject to availability at the point of application.

9 : Fill in details for securities application and click “Next”.

10 : Check the details of your securities application, your CDP Securities Account Number and click “Confirm” to confirm your application.

11 : Where applicable, capture the Confirmation Screen (optional) for your reference and retention only.

This page has been intentionally left blank.

This page has been intentionally left blank.