



HYFLUX LTD

Company Registration No: 200002722Z

**COMMENCEMENT OF CONSENT SOLICITATION PROCESS FOR THE
PROPOSED AMENDMENT TO THE TRUST DEED RELATING TO THE
S\$800,000,000 MULTICURRENCY DEBT ISSUANCE PROGRAMME**

- (1) **S\$55.0 Million 3.89% Notes Due 2016 (ISIN: SG7Z22966542)
(the "Series 006 Notes")**
- (2) **S\$100.0 Million 3.50% Notes Due 2016 (ISIN: SG6Q08972185)
(the "Series 007 Notes")**
- (3) **S\$100.0 Million 4.25% Notes Due 2018 (ISIN: SG6Q70974010)
(the "Series 008 Notes")**
- (4) **S\$65.0 Million 4.60% Notes Due 2019 (ISIN: SG6Q77974112)
(the "Series 009 Notes")**
- (5) **S\$100.0 Million 4.20% Notes Due 2019 (ISIN: SG6W23985057)
(the "Series 010 Notes")**

Hyflux Ltd (the "Company") wishes to announce that it has commenced a consent solicitation process (the "Consent Solicitation") on 13 January 2015. DBS Bank Ltd. has been appointed as the solicitation agent in connection therewith.

The Consent Solicitation entails seeking the approval of the holders of each of Series 006 Notes, Series 007 Notes, Series 008 Notes, Series 009 Notes and Series 010 Notes (the "Noteholders") issued under the S\$800,000,000 Multicurrency Debt Issuance Programme of the Company (the "Programme") to amend the financial covenants in the trust deed dated 3 July 2008 made between the Company and DBS Trustee Limited (the "Trustee"), as trustee for the Noteholders, as amended, varied and supplemented by (in the case of the Series 007 Notes, the Series 008 Notes, the Series 009 Notes and the Series 010 Notes only) the Supplemental Trust Deed dated 13 July 2011 made between the same parties and (in the case of the Series 006 Notes only) the Second Supplemental Trust Deed dated 24 July 2013 made between the same parties (the "Trust Deed") and the terms and conditions of the Notes and the frequency of providing certain compliance certificates under the Trust Deed (the "Proposed Amendments") by the passing of extraordinary resolutions (the "Extraordinary Resolutions") at the respective meetings of the Noteholders.

The consent of the Noteholders is sought for the Proposed Amendments and for such consequential changes to the Trust Deed as the Trustee, in its absolute discretion, may deem necessary or expedient to give effect to the actions and modifications referred to in the Extraordinary Resolutions.

The purpose of the Proposed Amendments is to (i) raise the threshold for the minimum Consolidated Tangible Net Worth to S\$300,000,000; and (ii) broaden the interest cover covenant to include the unencumbered cash position of the Company and its subsidiaries (the "Group"). In particular:



- (a) the increase in Consolidated Tangible Net Worth to S\$300,000,000 is to take into account the growth in net assets;
- (b) the inclusion of Consolidated Unencumbered Cash to the financial covenant ratio between Consolidated EBITDA and Consolidated Interest Expense is a more comprehensive indicator to reflect the Group's financial strength; and
- (c) in addition to the above, there are minor changes to update the definition of Consolidated Tangible Net Worth, Consolidated EBITDA and Consolidated Interest Expense.

The purpose of the Proposed Amendments is also to align the frequency of providing certain compliance certificates on a semi-annual basis instead of the current quarterly basis to the Trustee with the reporting frequency under the Company's other facilities.

For further details of the Consent Solicitation and Proposed Amendments, Noteholders are advised to refer to the Notice of Meeting published in *The Business Times* on 13 January 2015 and the Consent Solicitation Statement dated 13 January 2015. A copy of the Consent Solicitation Statement pertaining to the Consent Solicitation will also be made available to Noteholders in the manner described in the Notice of Meeting.

By Order of the Board

Lim Poh Fong
Company Secretary
13 January 2015

Note: This announcement does not constitute an invitation to participate in the Consent Solicitation. No offer or invitation to issue or redeem any securities is made pursuant to this release. This announcement must be read in conjunction with the Consent Solicitation Statement. This announcement does not constitute or form part of, and should not be construed as, an offer for sale or subscription of, or a solicitation of any offer to buy or subscribe for, any securities of the Company or any other entity.