

VOLUNTARY UNCONDITIONAL CASH OFFER

BY

MS. LUM OOI LIN

to acquire all the issued and paid-up ordinary shares in the capital of

HYFLUXSHOP HOLDINGS LTD.

(Incorporated in the Republic of Singapore)

(Company Registration No. 201723246Z)

other than those already owned, controlled or agreed to be acquired by Ms. Lum Ooi Lin and parties acting in concert with her

OFFER ANNOUNCEMENT

1 INTRODUCTION

1.1 Ms. Lum Ooi Lin also known as “Ms. Olivia Lum Ooi Lin” (the “**Offeror**”), wishes to announce that she shall make a voluntary unconditional cash offer (the “**Offer**”) for all the issued and paid-up ordinary shares (the “**Shares**”) in the capital of HyfluxShop Holdings Ltd. (the “**Offeree**”) (other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror), in accordance with Section 139 of the Securities and Futures Act, Chapter 289 of Singapore and Rule 15 of The Singapore Code on Take-overs and Mergers (the “**Code**”).

1.2 As at the date of this Announcement (the “**Announcement Date**”), the Offeror and parties acting in concert with her own or control in aggregate 60,830,195 Shares, representing approximately 54.2% of the Shares.

2 THE OFFER

2.1 Subject to the terms and conditions set out in the **Composite Document** (as defined in Section 12 below), the Offer will be made on the following basis:

For each Offer Share (as defined below): **S\$0.1783** in cash (the “**Offer Price**”).

2.2 The Offer, when made, will be extended, on the same terms and conditions to all Shares, other than those owned by the Offeror and parties acting in concert with her as at the Announcement Date (the “**Offer Shares**”).

2.3 The Offer Shares will be acquired:

- (a) fully paid;
- (b) free from any mortgage, debenture, lien, charge, pledge, title retention, right to acquire, security interest, option, pre-emptive or similar right, right of first refusal and any other encumbrance or condition whatsoever; and
- (c) together with all rights, benefits and entitlements attached thereto as at the Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) declared, paid or made by the Offeree on or after the Announcement Date.

Accordingly, if any dividend, other distribution or return of capital is declared, made or paid on or after the Announcement Date, the Offeror reserves the right to reduce the Offer Price by the amount of such dividend, distribution or return of capital.

2.4 **The Offer will not be subject to any conditions and will be unconditional in all respects.**

3 EMPLOYEES' SHARE INCENTIVE SCHEME

- 3.1 Based on the information available to the Offeror as at the Announcement Date, the Offeree has in place the HyfluxShop Employees' Share Incentive Scheme ("**HyfluxShop ESIS**"), the terms of which were approved at an extraordinary general meeting of the Offeree on 12 February 2018 pursuant to which the Offeree may grant awards of Shares and/or share options to selected employees of the Offeree ("**Awards**"). However, no Awards under the HyfluxShop ESIS have been granted since the commencement of the HyfluxShop ESIS. Further details of the HyfluxShop ESIS are set out in paragraph 5 of the Circular (as defined below).
- 3.2 In view of the fact that no Awards have been granted as at the Announcement Date, there are no holders of any Awards to which the Offer is or has to be extended to.

4 PREFERENCE SHARES

- 4.1 Based on the information available to the Offeror as at the Announcement Date, the Offeree has issued 20,000,000 non-convertible, non-voting, perpetual preference shares (the "**HyfluxShop Preference Shares**") to Hyflux Ltd. ("**Hyflux**"), a party acting in concert with the Offeror, amounting to S\$20.0 million in aggregate liquidation preference of the HyfluxShop Preference Shares at the issue price of S\$1 for each HyfluxShop Preference Share. The HyfluxShop Preference Shares have no maturity date and will not be redeemable at the option of the holder(s) of HyfluxShop Preference Shares. The Offeree may, at its sole discretion, redeem the HyfluxShop Preference Shares for cash, in whole or in part (on a pro rata basis), under certain circumstances, subject to the constitution of the Offeree and certain limitations. Further details of the HyfluxShop Preference Shares are set out in paragraph 3 of the Circular (as defined below).
- 4.2 In view of the fact that the HyfluxShop Preference Shares are not convertible into Shares and do not carry the right to vote at general meetings, except in certain limited circumstances as specified in the constitution of the Offeree, the Offeror will not make an offer to acquire the HyfluxShop Preference Shares.

5 INFORMATION ON THE OFFEROR

- 5.1 The Offeror is the Executive Chairman and Group Chief Executive Officer of Hyflux and its subsidiaries and a controlling shareholder of Hyflux.
- 5.2 It is contemplated that the Offer will be funded by the Offeror's personal finances.

6 INFORMATION ON THE OFFEREE

- 6.1 The Offeree is a company incorporated in Singapore on 16 August 2017. On the Offeree's incorporation two Shares were issued to Hyflux for a paid-up share capital of S\$2.00. In anticipation of the then proposed dividend *in specie* to be issued to the shareholders of Hyflux on the "Date of Completion" as defined in the circular to the shareholders of Hyflux dated 17 January 2018 (the "**Circular**"), 112,183,566 additional Shares were issued to Hyflux on 20 December 2017 for an additional paid-up share capital of S\$20.0 million, which was utilised for the reorganisation of the consumer arm of Hyflux under the Offeree. The dividend *in specie* was issued to the shareholders of Hyflux on 15 February 2018 (the "**Actual Date of Completion**").
- 6.2 The principal business activities, business strategies and future plans of the Offeree and its subsidiaries (the "**HyfluxShop Group**") are focused on the consumer health and wellness segments. The HyfluxShop Group offers a comprehensive range of sustainable and environmentally-friendly water filtration and consumer lifestyle products and has an expanding suite of health and wellness consumer solutions to provide clean drinking water, enhance

health and wellness with oxygen-rich water as well as provide nutritional supplements to complement the modern lifestyle.

- 6.3 Based on the information available to the Offeror, as at the Announcement Date:
- (a) the board of directors of the Offeree comprises the following:
 - (i) Lim Suat Wah;
 - (ii) Cheong Aik Hock; and
 - (iii) Lim Sau Hoong;
 - (b) the Offeree has an issued and paid-up share capital of S\$40,000,002, comprising:
 - (i) 112,183,568 Shares;
 - (ii) 20,000,000 HyfluxShop Preference Shares; and
 - (iii) no Shares held in treasury; and
 - (c) no Awards under the HyfluxShop ESIS have been granted since the commencement of the HyfluxShop ESIS.

- 6.4 **Listing Plans.** Per paragraph 2.7 of the Circular, assuming its future growth performance is on track and market conditions of the capital markets are favourable, the HyfluxShop Group is expected to be in a position to consider the proposed listing of the Offeree on a recognised stock exchange ("**Proposed Listing**") or other liquidity events to unlock value for the shareholders of the Offeree (the "**Shareholders**"). Nevertheless, Shareholders should note that the Proposed Listing is a future plan which involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements of the HyfluxShop Group to be different from expected. As such, there is a risk that the HyfluxShop Group may not be able to implement such future plans successfully.

7 RATIONALE FOR THE OFFER

Following the Actual Date of Completion and prior to the Proposed Listing, Shareholders are holding shares in a public Singapore company that are not quoted on the Official List of the Singapore Exchange Trading Limited ("**SGX-ST**"), any securities exchange or any other regulated markets. Accordingly, the Offer provides an avenue for Shareholders to sell their unlisted Shares without having to search for willing purchasers.

8 THE OFFEROR'S INTENTION FOR THE OFFEREE

- 8.1 **The Offeror's Future Plans for the Offeree.** It is the intention of the Offeror to carry on the existing business of the Offeree, and the Offeror presently has no intention, save in the ordinary course of the business, to (a) introduce any major changes to the business of the Offeree, (b) re-deploy the fixed assets of the Offeree or (c) discontinue the employment of the employees of the Offeree. However, the Offeror retains the flexibility at any time to consider any options in relation to the Offeree which may present themselves and which the Offeror may regard to be in the interest of the Offeree.
- 8.2 **No Compulsory Acquisition.** Pursuant to Section 215(1) of the Companies Act, Chapter 50 of Singapore ("**Companies Act**"), if the Offer involves the transfer of all of the Shares and if the Offeror receives valid acceptances of the Offer in respect of not less than 90% of the total number of Shares (excluding treasury shares) as at the close of the Offer (other than those already held by the Offeror as at the date of the Offer), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares of Shareholders who have not

accepted the Offer during the offer period (the “**Dissenting Shareholders**”) on the same terms as those offered under the Offer, if any.

Pursuant to Section 215(3) of the Companies Act, the Dissenting Shareholders, if any, have the right to require the Offeror to acquire their Shares on the same terms as those offered under the Offer in the event that the Offeror receives valid acceptances of the Offer in respect of not less than 90% of the total number of Shares (excluding treasury shares) as at the close of the Offer. Unlike Section 215(1) of the Companies Act, the 90% threshold under Section 215(3) of the Companies Act does not exclude Shares held by the Offeror as at the date of the Offer.

Since the Offer does not extend to the Shares owned, controlled or agreed to be acquired by parties acting in concert with the Offeror¹:

- (a) the Offeror will not become entitled to the right under Section 215(1) of the Companies Act to compulsorily acquire any Shares of the Dissenting Shareholders; and
- (b) the Dissenting Shareholders, if any, will not become entitled to exercise the right under Section 215(3) of the Companies Act to require the Offeror to acquire any of their Shares.

9 DISCLOSURES ON HOLDINGS AND DEALINGS

9.1 As at the Announcement Date and based on information available to the Offeror, save as disclosed in this Announcement and in **Appendix 1** to this Announcement, neither the Offeror nor parties acting in concert with her owns, controls or has agreed to acquire any:

- (a) Shares;
- (b) securities which carry voting rights in the Offeree; and
- (c) convertible securities, warrants, options or derivatives in respect of such Shares or securities,

(collectively, the “**Offeree Securities**”).

9.2 As at the Announcement Date, neither the Offeror nor parties acting in concert with her has received any irrevocable undertakings from any party to accept or reject the Offer.

9.3 As at the Announcement Date, save as disclosed in this Announcement, neither the Offeror nor parties acting in concert with her has dealt for value in any Offeree Securities during the three (3) months immediately preceding the Announcement Date.

9.4 As at the Announcement Date, save as disclosed in this Announcement, neither the Offeror nor parties acting in concert with her has entered into any arrangement (whether by way of option, indemnity or otherwise) in relation to the Shares which might be material to the Offer, or has in respect of the Offeree Securities:

- (a) granted a security interest over any Offeree Securities to another person, whether through a charge, pledge or otherwise;
- (b) borrowed from another person any Offeree Securities (excluding borrowed Offeree Securities which have been on-lent or sold); or
- (c) lent any Offeree Securities to another person.

¹ As set out in Appendix 1 to this Announcement, parties acting in concert with the Offeror hold approximately 30.4% of the Shares.

10 CONFIRMATION OF FINANCIAL RESOURCES

DBS Bank Ltd., as the Offeror's bank, confirms that, sufficient financial resources are available to the Offeror to satisfy in full all acceptances of the Offer for the Offer Shares in cash on the basis of the Offer Price.

DBS Bank Ltd. is not acting as a financial adviser to the Offeror.

11 OVERSEAS JURISDICTIONS AND SHAREHOLDERS

- 11.1 **Overseas Jurisdictions.** This Announcement does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Announcement in any jurisdiction in contravention of applicable law. The Offer will be made solely by the Composite Document and the relevant form(s) of acceptance accompanying the Composite Document, which will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted. For the avoidance of doubt, the Offer will be open to all Shareholders other than the Offeror and parties acting in concert with her, including those to whom the Composite Document and relevant form(s) of acceptance may not be sent.
- 11.2 The release, publication or distribution of this Announcement in certain jurisdictions may be restricted by law and it is the responsibility of persons in any such jurisdictions into which this Announcement is released, published or distributed to inform themselves about and observe such restrictions.
- 11.3 Copies of this Announcement and any formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Offer would violate the law of that jurisdiction (a "**Restricted Jurisdiction**") and will not be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction. For the avoidance of doubt, the Offer shall be made to all Shareholders other than the Offeror and parties acting in concert with her including those whom the Composite Document and the relevant acceptance form(s) will not be sent.
- 11.4 The Offer (unless otherwise determined by the Offeror and permitted by applicable law and regulation) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities.
- 11.5 **Overseas Shareholders.** The availability of the Offer to Shareholders whose addresses are outside Singapore, as shown in the register of members of the Offeree (the "**Overseas Shareholders**") may be affected by the laws of the relevant overseas jurisdictions in which they are located. Any affected Overseas Shareholder may, nonetheless, obtain a copy of the Composite Document and the appropriate form(s) of acceptance from The Central Depository (Pte) Limited or the office of the Offeree's share registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623. Alternatively, an Overseas Shareholder may write to the Offeree's share registrar at the above-mentioned address requesting that the Composite Document and the appropriate form(s) of acceptance be sent to an address in Singapore by ordinary post at his own risk.
- 11.6 The ability of the Shareholders who are not resident in Singapore to accept the Offer may be affected by the laws of the relevant jurisdictions in which they are located. Persons who are not resident in Singapore should inform themselves of, and observe, any applicable requirements.

12 COMPOSITE DOCUMENT

- 12.1 The composite document (the "**Composite Document**") to be issued jointly by the Offeror and the Offeree will contain, amongst other things, the following:
- (a) the offer document to be issued by the Offeror, which will set out the terms and conditions of the Offer and enclose the relevant form(s) of acceptance; and
 - (b) the circular to be issued by the Offeree.
- 12.2 The Composite Document will be despatched to Shareholders not earlier than 14 days and not later than 21 days from the Announcement Date. The Offer will remain open for acceptances by Shareholders for a period of at least 30 days from the date of posting of the Composite Document.
- 12.3 In the meantime, Shareholders are advised to exercise caution when dealing in the Shares.

13 FURTHER ANNOUNCEMENTS

Please note that all documents and announcements relating to the Offer (subsequent to this Announcement) will be made available only through the Offeree's corporate website (www.hyfluxshop.com).

14 RESPONSIBILITY STATEMENT

The Offeror has taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement are fair and accurate and that no material facts have been omitted from this Announcement, and she accepts responsibility accordingly. Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, information relating to the Offeree and its subsidiaries and associated companies), the sole responsibility of the Offeror has been to ensure, through reasonable enquiries, that such information has been accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Announcement.

Issued by

Ms. Lum Ooi Lin

15 February 2018
Singapore

Any inquiries relating to this Announcement or the Offer should be directed during office hours to the following:

Email: hsh.enquiries@shooklin.com
Phone: +65 6535 1944

Forward-Looking Statements

All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect the Offeror's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information.

Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and the Offeror does not undertake any obligation to update publicly or revise any forward-looking statements.

APPENDIX 1

DETAILS OF HOLDINGS IN THE OFFEREE SECURITIES

The holdings of the Offeror and Hyflux, being the party which is acting in concert with the Offeror of the Offeree Securities as at the Announcement Date are set out below:

Holdings in Offeree Securities

Name	Number of Shares			
	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Offeror ⁽¹⁾	26,735,121	23.8	34,095,074	30.4
Hyflux	34,095,074	30.4	-	-

Notes:

- (1) The Offeror has a direct interest of 267,351,211 shares in Hyflux, representing approximately 34.1 per cent in Hyflux. Accordingly, the Offeror is deemed to be interested in the 34,095,074 Shares held by Hyflux.