



MULTI WATER HOLDINGS LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No. 201723246Z)

**PROPOSED NON-RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO
115,867,780 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY**

1 INTRODUCTION

- 1.1 The board of directors (the “**Board**” or the “**Directors**”) of Multi Water Holdings Ltd. (f.k.a. HyfluxShop Holdings Ltd.) (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company is proposing to undertake a non-renounceable non-underwritten rights issue of up to 115,867,780 new ordinary shares in the capital of the Company (the “**Rights Shares**”) at an issue price of S\$0.087 for each Rights Share (the “**Issue Price**”), on the basis of one (1) Rights Share for every one (1) existing ordinary share in the capital of the Company (the “**Share**”) held by the shareholders of the Company (the “**Shareholders**”) (the “**Rights Issue**”) as at a time and date to be determined by the Board, at and on which the register of members of the Company and the share transfer books will be closed to determine the provisional allotment of the Rights Shares of the Entitled Shareholders (as defined below) (the “**Books Closure Date**”), fractional entitlements to be disregarded.
- 1.2 The issue of the Rights Shares will be made pursuant to the authority granted by the Shareholders under the general share issue mandate (the “**General Mandate**”) at the annual general meeting of the Company held earlier on 29 August 2019.
- 1.3 To show her support for the Rights Issue and to demonstrate her commitment to and confidence in the prospects of the Company, Ms. Lum Ooi Lin (“**Ms Lum**”), a director and shareholder of the Company who directly holds approximately 44.3% of the total number of issued Shares of the Company, has undertaken to, amongst others as contained in the Irrevocable Undertaking (as defined below), subscribe for and pay in full for her *pro rata* entitlement to the Rights Shares in relation to Shares held by her as at the Books Closure Date.
- 1.4 Ms Lum has also indicated to the Company that further to the Irrevocable Undertaking, she may, at her sole discretion and option, make applications, in excess of her *pro rata* entitlement to the Rights Shares in relation to Shares held by her as at the Books Closure Date, for the provisional allotments of Excess Rights Shares (as defined below). For the avoidance of any doubt, such intention of Ms Lum is not included as part of the Irrevocable Undertaking provided to the Company.

2 PROPOSED PRINCIPAL TERMS OF THE RIGHTS ISSUE

- 2.1 Pursuant to the Rights Issue, up to 115,867,780 Rights Shares will be offered at the Issue Price, on the basis of one (1) Rights Share for every one (1) Share held by the Shareholders as at the Books Closure Date, fractional entitlements to be disregarded.
- 2.2 Based on the Company's issued and paid-up share capital comprising 115,867,780 Shares as at the date of this Announcement and assuming that all Entitled Shareholders (as defined below) subscribe in full and pay for their *pro rata* entitlements of Rights Shares, the Company will issue up to 115,867,780 Rights Shares under the Rights Issue and the share capital of the Company will increase to comprise 231,735,560 Shares. The Company has no outstanding convertible securities as at the date of this Announcement.

3 THE RIGHTS ISSUE

- 3.1 Entitled Shareholders will be at liberty to accept (in full or in part), or decline their provisional *allotments* of Rights Shares and will be eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue.
- 3.2 Fractional entitlements to the Rights Shares will be disregarded in arriving at the Entitled Shareholders' provisional allotments of Rights Shares and will, together with the provisional allotments of Rights Shares which are not subscribed for by Entitled Shareholders for any reason (the "**Excess Rights Shares**"), be aggregated and allotted to satisfy applications for Excess Rights Shares, or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the best interests of the Company, subject to applicable laws.
- 3.3 In the allotment of Excess Rights Shares, preference will be given to Shareholders for the rounding of odd lots, whereas Directors and substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company, or the terms of the Rights Issue, or have a representation (direct or through a nominee) on the Board, will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares. The Company will not make any allotment and issue of any Excess Rights Shares that will result in any Shareholder being allotted and issued Excess Rights Shares of more than 20% of his Shares as at Books Closure Date.
- 3.4 The Rights Shares will be payable in full upon acceptance and/or application. The Rights Shares, when allotted and issued, will rank *pari passu* in all respects with the then existing Shares, except that they will not rank for any dividends, rights, allotments or other distributions that may be declared or paid, the record date for which falls before the date of issue of the Rights Shares. For this purpose, a "**record date**" means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which the Shareholders must be registered with the Company or The Central Depository (Pte) Limited ("**CDP**"), as the case may be, in order to participate in such dividends, rights, allotments or other distributions.

- 3.5 The Issue Price is proposed to be S\$0.087 for each Rights Share. The Issue Price represents a discount of approximately 51.21% to the price of S\$0.1783 under the voluntary unconditional cash offer (the “**Previous Offer**”) made by Ms Lum for all the issued and paid-up ordinary shares in the capital of the Company, as announced on 15 February 2018. The Previous Offer closed on 23 April 2018.
- 3.6 The terms and conditions of the Rights Issue are subject to such changes as the Directors may deem fit. The final terms and conditions of the Rights Issue including procedures for acceptances and applications for the Rights Shares will be contained in an instructions booklet to be despatched by the Company to Entitled Shareholders in due course (the “**Instructions Booklet**”). A further announcement on the despatch of the Instructions Booklet will be made by the Company at the appropriate time.
- 3.7 In the reasonable opinion of the Directors, and in view of the Irrevocable Undertaking, there is no minimum amount which must be raised from the Rights Issue. After taking into consideration the aforementioned, the costs of engaging an underwriter and having to pay commission in relation to the underwriting, the Directors have decided that it is not feasible nor practical for the Rights Issue to be underwritten by a financial institution.
- 3.8 **AS THE RIGHTS ISSUE IS MADE ON A NON-RENOUNCEABLE BASIS, ENTITLED SHAREHOLDERS SHOULD NOTE THAT THE PROVISIONAL ALLOTMENT OF RIGHTS SHARES CANNOT BE RENOUNCED IN PART OR IN WHOLE IN FAVOUR OF A THIRD PARTY.**

4 RATIONALE

- 4.1 The Group is effectively a start-up business with an innovative but as yet relatively unestablished product line. As the Group is not expecting to generate net positive operating cash flows while it continues to research into, develop, market and establish its products in the marketplace, all of which activities requires significant expenditure, it is difficult for the Group to raise funds through debt financing. In view of the current financial circumstances, the Group believes that the proposed Rights Issue will strengthen the Group’s balance sheet and address its working capital needs.
- 4.2 In addition, the Rights Issue will also provide existing Shareholders who are confident of the future prospects of the Company with an opportunity to invest in new equity in the Company.

5 USE OF PROCEEDS

- 5.1 On the assumption that:
- (a) (i) none of the Shareholders except for Ms Lum subscribes for their respective pro rata entitlements to Rights Shares or any Excess Rights Shares; and (ii) Ms Lum subscribes for her *pro rata* entitlement to the Rights Shares only pursuant to the Irrevocable

Undertaking and not any of the Excess Rights Shares, (the “**Minimum Subscription Scenario**”), the Company expects to receive net proceeds of approximately S\$4.2 million from the Rights Issue, after deducting estimated expenses of approximately S\$0.3 million; and

- (b) all Shareholders subscribe for their respective *pro rata* entitlements to Rights Shares under the Rights Issue (the “**Maximum Subscription Scenario**”), the Company expects to receive net proceeds of approximately S\$9.8 million from the Rights Issue, after deducting estimated expenses of approximately S\$0.3 million.

5.2 In all the scenarios mentioned in paragraph 5.1 above, the Company intends to use all net proceeds from the Rights Issue (the “**Net Proceeds**”) for working capital requirements of the Group and to research into, develop, market and establish its products in the marketplace.

5.3 Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

5.4 Pending the deployment of the proceeds raised from the Rights Issue for the use mentioned above, the proceeds may be placed as deposits with financial institutions, or invested in short-term money market or debt instruments, or for any other purposes on a short-term basis as the Directors may deem fit in the interests of the Group.

6 ELIGIBILITY TO PARTICIPATE IN THE RIGHTS ISSUE

6.1 The Company proposes to provisionally allot the Rights Shares to all Shareholders who are eligible to participate in the Rights Issue on the basis of their shareholdings in the Company as at the Books Closure Date (the “**Entitled Shareholders**”). The Entitled Shareholders comprise Entitled Depositors and Entitled Scripholders (both as defined below).

6.2 “**Entitled Depositors**” are Entitled Shareholders whose securities accounts with CDP are credited with Shares as at 5.00 p.m. (Singapore time) on the Books Closure Date, provided that such Entitled Depositors have registered addresses in Singapore with CDP as at the Books Closure Date or if they have registered addresses outside Singapore, they have provided CDP, at 9 North Buona Vista Drive, #1-19/20 The Metropolis, Singapore 138588, with a registered address in Singapore no later than 5.00 p.m. (Singapore time) on the date being three (3) business days (being a day (excluding Saturday and Sunday) on which clearing banks are generally open for business in Singapore) (“**Business Days**”) prior to the Books Closure Date.

6.3 “**Entitled Scripholders**” are Entitled Shareholders whose share certificates are not deposited with CDP and who have tendered to Boardroom Corporate & Advisory Services Pte. Ltd. (“**Share Registrar**”) at 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623 valid transfers of their Shares and the certificates relating thereto for registration up to the Books Closure Date, provided that such Entitled Scripholders have registered addresses in

Singapore with the Share Registrar as at the Books Closure Date or if they have registered addresses outside Singapore, they have provided the Share Registrar at 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623 with a registered address in Singapore, in Singapore no later than 5.00 pm. (Singapore time) on the date being three (3) Business Days prior to the Books Closure Date.

7 CPF INVESTMENT SCHEME

Shareholders who have previously purchased Shares using their Central Provident Fund (“**CPF**”) account savings (“**CPF Funds**”) under the Central Provident Fund Investment Scheme (“**CPFIS**”) may only use their CPF Funds for the payment of the Issue Price to subscribe for their provisional allotments of Rights Shares and (if applicable) to apply for Excess Rights Shares, subject to the applicable CPF rules and regulations. Such Shareholders who wish to accept provisional allotments of the Rights Shares and (if applicable) apply for Excess Rights Shares using CPF Funds will need to instruct their respective approved CPF agent banks with whom they hold their CPF investment accounts, to accept the provisional allotments of the Rights Shares and (if applicable) apply for Excess Rights Shares on their behalf in accordance with the terms and conditions in the Instructions Booklet.

8 FOREIGN SHAREHOLDERS

8.1 The distribution of the Instructions Booklets and its accompanying documents may be prohibited or restricted (either absolutely or subject to various securities laws requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and to avoid any violation of the relevant legislation applicable in countries other than Singapore, the Rights Shares will not be offered to Shareholders with registered addresses outside Singapore as at 5.00 p.m. (Singapore time) on the Books Closure Date and who have not, by no later than 5.00 p.m. (Singapore time) on the date being three (3) Business Days prior to the Books Closure Date, provided to the Share Registrar or CDP, as the case may be, with registered addresses in Singapore for the service of notices and documents (the "**Foreign Shareholders**"), and the Instructions Booklets and its accompanying documents will not be despatched to Foreign Shareholders. Accordingly, no provisional allotments of the Rights Shares will be made to Foreign Shareholders and no purported acceptance thereof or application will be valid.

8.2 **SHAREHOLDERS WITH REGISTERED ADDRESSES OUTSIDE SINGAPORE WHO WISH TO PARTICIPATE IN THE RIGHTS ISSUE SHOULD PROVIDE CDP OR THE SHARE REGISTRAR, AS THE CASE MAY BE, WITH ADDRESSES IN SINGAPORE FOR THE SERVICE OF NOTICES AND DOCUMENTS, AT LEAST THREE (3) BUSINESS DAYS PRIOR TO THE BOOKS CLOSURE DATE.**

9 IRREVOCABLE UNDERTAKING

- 9.1 As at the date of this Announcement, Ms Lum is a director and shareholder of the Company who directly holds 51,332,944 Shares, representing approximately 44.3% of the total number of issued Shares of the Company.
- 9.2 As an indication of her support for the Rights Issue and to demonstrate her commitment to and confidence in the prospects of the Company, Ms Lum has provided an irrevocable undertaking in favour of the Company (the “**Irrevocable Undertaking**”), pursuant to which Ms Lum will, subject to certain conditions, irrevocably undertake to the Company that, among others:
- (a) as at the Books Closure Date, the number of Shares held by her will not be less than the number of Shares held by her as at the date of the Irrevocable Undertaking; and
 - (b) she will, in accordance with the terms and conditions of the Rights Issue and in any case not later than the last day for acceptance and payment of the Rights Shares, subscribe for and pay in full for her total provisional allocation of Rights Shares.
- 9.3 Ms Lum has also indicated to the Company that further to the Irrevocable Undertaking, she may, at her sole discretion and option, make applications, in excess of her *pro rata* entitlements to the Rights Shares in relation to Shares held by her as at the Books Closure Date, for the provisional allotments of Excess Rights Shares. For the avoidance of any doubt, such intention of Ms Lum is not included as part of the Irrevocable Undertaking provided to the Company.

10 INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

- 10.1 Ms Lum, who directly holds approximately 44.3% of the total number of issued Shares of the Company, also has a direct interest in approximately 34.1% in Hyflux Ltd (“**Hyflux**”) and is the Executive Chairwoman and Chief Executive Officer of Hyflux. Hyflux has a direct interest in 34,095,074 Shares, representing approximately 29.4% of the total number of issued Shares of the Company.
- 10.2 Ms Chong Chiet Ping, a Director of the Company, directly holds 526,316 Shares, representing approximately 0.5% of the total number of issued Shares of the Company.
- 10.3 Ms Lim Sau Hoong, a Director of the Company, has a direct interest in 526,316 Shares, representing approximately 0.5% of the total number of issued Shares of the Company.
- 10.4 Save as disclosed herein, none of the Directors nor, to the best of the Directors’ knowledge, any of the substantial Shareholders, has any interest, whether direct or indirect, in the Rights Issue other than through their respective shareholdings in the Company (if any).

11 CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution when dealing in the Shares. The completion of the Rights Issue is subject to certain conditions. As at the date of this Announcement, there is no certainty or assurance that the Rights Issue will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders and potential investors are advised to read this Announcement and any further announcements by the Company carefully. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors, accountants, tax advisers or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board

Lum Ooi Lin

Director

5 November 2019