

OFFERING CIRCULAR



KEPPEL LAND LIMITED

*(Incorporated with limited liability in Singapore)
(Company registration number: 18900001G)*

KEPPEL LAND FINANCIAL SERVICES PTE. LTD.

*(Incorporated with limited liability in Singapore)
(Company registration number: 200005290D)*

U.S.\$3,000,000,000

Multicurrency Medium Term Note Programme unconditionally and irrevocably guaranteed by KEPPEL LAND LIMITED

*(Incorporated with limited liability in Singapore)
(Company registration number: 18900001G)*

Under this U.S.\$3,000,000,000 Multicurrency Medium Term Note Programme (the **Programme**), each of Keppel Land Limited (**KLL** or **Keppel Land**) and Keppel Land Financial Services Pte. Ltd. (**KLFS**, and together with KLL, the **Issuers**, and each an **Issuer**), subject to compliance with all relevant laws, regulations and directives, may from time to time issue notes (the **Notes**) or perpetual securities (the **Perpetual Securities** and together with the Notes, the **Securities**) denominated in any currency agreed between the relevant Issuer and the relevant Dealer (as defined below).

The payments of all amounts due in respect of the Notes or Perpetual Securities issued by KLFS will be unconditionally and irrevocably guaranteed by KLL, in its capacity as guarantor of Notes and Perpetual Securities issued by KLFS (the **Guarantor**).

The maximum aggregate nominal amount of all Notes and Perpetual Securities from time to time outstanding under the Programme will not exceed U.S.\$3,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Notes and Perpetual Securities may be issued on a continuing basis to one or more of the Dealers specified under "Overview of the Programme" and any further Dealer appointed under the Programme from time to time by the relevant Issuer and the Guarantor (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the **relevant Issuer** shall be either KLL or KLFS, as the case may be, as issuer of the Notes or Perpetual Securities under the Programme as specified in the applicable Pricing Supplement (as defined herein), and references to the **relevant Dealer** shall, in the case of an issue of Notes or Perpetual Securities being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes or Perpetual Securities.

An investment in Notes or Perpetual Securities issued under the Programme involves certain risks. For a discussion of these risks see "Risk Factors".

Application has been made to the Singapore Exchange Securities Trading Limited (the **SGX-ST**) for permission to deal in, and for a quotation of, any Notes or Perpetual Securities to be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes or Perpetual Securities have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the Official List of the SGX-ST and quotation of any Notes or Perpetual Securities on the SGX-ST are not to be taken as an indication of the merits of the relevant Issuer, the Guarantor, the Programme, the Notes or the Perpetual Securities.

The Programme provides that Notes and Perpetual Securities may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the relevant Issuer and the relevant Dealer. The relevant Issuer may also issue Notes or Perpetual Securities which are unlisted and/or not admitted to trading on any market.

Each Tranche of Notes or Perpetual Securities or each Series (as defined in "Form of the Notes" and "Form of the Perpetual Securities", respectively) of Notes or of Perpetual Securities in bearer form will be represented on issue by (i) in the case of Notes, a temporary global note in bearer form (each a **Temporary Global Note**) or a permanent global note in bearer form (each a **Permanent Global Note**) and (ii) in the case of Perpetual Securities, a temporary global perpetual security in bearer form (each a **Temporary Global Perpetual Security**) or a permanent global perpetual security in bearer form (each a **Permanent Global Perpetual Security**). Notes and Perpetual Securities in registered form will initially be represented by (i) in the case of Notes, a global note in registered form (each a **Registered Global Note** and together with any Temporary Global Notes and Permanent Global Notes, the **Global Notes** and each a **Global Note**) and (ii) in the case of Perpetual Securities, a global perpetual security in registered form (each a **Registered Global Perpetual Security**, and together with any Temporary Global Perpetual Securities and Permanent Global Perpetual Securities, the **Global Perpetual Securities** and each a **Global Perpetual Security**). Global Notes and Global Perpetual Securities may be deposited on the issue date with a common depository for Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, société anonyme (**Clearstream, Luxembourg**). Global Notes and Global Perpetual Securities may also be deposited with The Central Depository (Pte) Limited (**CDP**) or a sub-custodian for the Hong Kong Monetary Authority (**HKMA**), as operator of the Central Moneymarkets Unit Service, operated by the HKMA (the **CMU Service**).

The Notes and Perpetual Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or any U.S. State securities laws and may not be offered or sold in the United States (or, in certain circumstances, to, or for the account or benefit of, U.S. persons) unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction. See "Form of the Notes" and "Form of the Perpetual Securities" for descriptions of the manner in which the Notes and Perpetual Securities will be issued.

This Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore (**MAS**). Accordingly, this Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes or Perpetual Securities may not be circulated or distributed, nor may the Notes or Perpetual Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

The relevant Issuer and the Guarantor may agree with any Dealer and the Trustee (as defined herein) that Notes or Perpetual Securities may be issued in a form not contemplated by, as the case may be, the Terms and Conditions of the Notes or the Terms and Conditions of the Perpetual Securities, in which event a supplemental Offering Circular (including by way of a Pricing Supplement), if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes or Perpetual Securities.

Arrangers and Dealers

DBS BANK LTD.

HSBC

STANDARD CHARTERED BANK

The date of this Offering Circular is 22 November 2012.

The Issuers and the Guarantor accept responsibility for the information contained in this Offering Circular. To the best of the knowledge of the Issuers and the Guarantor (each having taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

Each Tranche of Notes or Perpetual Securities will be issued on the terms set out herein under “*Terms and Conditions of the Notes*” and “*Terms and Conditions of the Perpetual Securities*”, respectively, as amended and/or supplemented by the Pricing Supplement specific to such Tranche. This Offering Circular must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes or Perpetual Securities, must be read and construed together with the applicable Pricing Supplement.

References in this Offering Circular to **Conditions** shall, when made in respect of Notes, mean the Conditions set out in the “*Terms and Conditions of the Notes*” and, when made in respect of Perpetual Securities, mean the Conditions set out in the “*Terms and Conditions of the Perpetual Securities*”.

Subject as provided in the applicable Pricing Supplement, the only persons authorised to use this Offering Circular in connection with an offer of Notes or Perpetual Securities are the persons named in the applicable Pricing Supplement as the relevant Dealer or the Managers, as the case may be.

Copies of Pricing Supplements will be available from the registered office of the relevant Issuer and the specified office set out below of the Principal Paying Agent (as defined below) (save that a Pricing Supplement relating to an unlisted Note or Perpetual Security will only be available for inspection by a holder of such Note or Perpetual Security and such holder must produce evidence satisfactory to the relevant Issuer or the Principal Paying Agent as to its holding of Notes or Perpetual Securities, as the case may be, and its identity).

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “*Documents Incorporated by Reference*”). This Offering Circular shall be read and construed on the basis that such documents are incorporated and form part of this Offering Circular.

Neither the Arrangers, the Dealers, the Agents (as defined below) nor the Trustee have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arrangers, the Dealers, the Agents or the Trustee as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Issuers or the Guarantor in connection with the Programme. No Arranger, Dealer, Agent or the Trustee accepts any liability in relation to the information contained or incorporated by reference in this Offering Circular or any other information provided by the Issuers or the Guarantor in connection with the Programme.

No person is or has been authorised by the Issuers, the Guarantor, the Agents or the Trustee to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the Programme, the Notes or the Perpetual Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuers, the Guarantor, any of the Arrangers or Dealers, any of the Agents or the Trustee.

Neither this Offering Circular nor any other information supplied in connection with the Programme, any Notes or Perpetual Securities (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuers, the

Guarantor, any of the Arrangers or Dealers, any of the Agents or the Trustee that any recipient of this Offering Circular or any other information supplied in connection with the Programme, should purchase any Notes or Perpetual Securities. Each investor contemplating purchasing any Notes or Perpetual Securities should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the relevant Issuer and/or the Guarantor. Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes or Perpetual Securities constitutes an offer or invitation by or on behalf of the Issuers or the Guarantor, any of the Arrangers or Dealers, any of the Agents or the Trustee to any person to subscribe for or to purchase any Notes or Perpetual Securities.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes or Perpetual Securities shall in any circumstances imply that the information contained herein concerning the Issuers and/or the Guarantor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Arrangers, the Dealers, the Agents and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuers or the Guarantor during the life of the Programme or to advise any investor in the Notes or Perpetual Securities of any information coming to their attention.

The Notes and the Perpetual Securities have not been and will not be registered under the United States Securities Act of 1933, as amended, (the **Securities Act**) and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes and Perpetual Securities may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (see "*Subscription and Sale*").

The Notes and the Perpetual Securities have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor has any of the foregoing authorities passed upon or endorsed the merits of any offering of Notes and Perpetual Securities or the accuracy or the adequacy of this Offering Circular. Any representation to the contrary is a criminal offence in the United States.

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes or Perpetual Securities in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes or Perpetual Securities may be restricted by law in certain jurisdictions. The Issuers, the Guarantor, the Arrangers, the Dealers and the Trustee do not represent that this Offering Circular may be lawfully distributed, or that any Notes or Perpetual Securities may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuers, the Guarantor, the Arrangers, the Dealers or the Trustee which is intended to permit a public offering of any Notes or Perpetual Securities or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes or Perpetual Securities may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular, any Notes or Perpetual Securities may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes or Perpetual Securities. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes and Perpetual Securities in the United States, the European Economic Area, the United Kingdom, Japan, Hong Kong and Singapore, see "*Subscription and Sale*".

CERTAIN DEFINED TERMS AND CONVENTIONS

All references in this Offering Circular to **U.S. dollars**, **U.S.\$** and **\$** refer to United States dollars, to **RMB** refers to **Renminbi**, **S\$** and **SGD** refer to Singapore dollars and **£** or **Sterling** refers to British Pound Sterling. In addition, all references to **euro** and **€** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended. In addition, all references in this Offering Circular to the **Group** are to KLL and its subsidiaries, a subsidiary having the meaning given to “subsidiary” in Section 5 of the Companies Act, Chapter 50 of Singapore.

References to the **United States**, **U.S.** or **US** in this Offering Circular shall be to the United States of America, its territories and possessions, any State of the United States and the District of Columbia.

Any discrepancies in any table between totals and sums of the amounts listed are due to rounding.

SUPPLEMENTAL OFFERING CIRCULAR

The Issuers and the Guarantor have given an undertaking to the Dealers that if an Issuer has notified the relevant Dealers in writing that it intends to issue Securities under the Programme and in the event of (i) a change in the condition of the relevant Issuer and/or the Guarantor which is material in the context of the Programme or the issue of such Securities or (ii) the Offering Circular otherwise coming to contain an untrue statement of a material fact or omitting to state a material fact necessary to make the statements contained therein not misleading in any material respect or if it is necessary at any time to amend the Offering Circular to comply with, or reflect material changes in, the applicable laws or regulations of Singapore or any other relevant jurisdiction, they shall prepare an amendment or supplement to this Offering Circular (including by way of a Pricing Supplement) (each amendment or supplement, a **Supplemental Offering Circular**) or publish a replacement Offering Circular for use in connection with any subsequent offering of Notes or Perpetual Securities and shall supply to each of the Dealers such number of copies of such Supplemental Offering Circular or replacement hereto as such Dealers may reasonably request. References to this **Offering Circular** shall be taken to mean this document and all the documents from time to time incorporated by reference herein and forming part thereof.

FORWARD LOOKING STATEMENTS

The Issuers and the Guarantor have included statements in this Offering Circular which contain words or phrases such as **will**, **would**, **aim**, **aimed**, **is likely**, **are likely**, **believe**, **expect**, **expected to**, **will continue**, **anticipated**, **estimate**, **estimating**, **intend**, **plan**, **seeking to**, **future**, **objective**, **should**, **can**, **could**, **may**, and similar expressions or variations of such expressions, that are “forward-looking statements”. Actual results may differ materially from those suggested by the forward-looking statements due to certain risks or uncertainties associated with each Issuer’s and the Guarantor’s expectations with respect to, but not limited to, their ability to successfully implement their strategy, their ability to integrate recent or future mergers or acquisitions into their operations, their growth and expansion, the outcome of any legal or regulatory proceedings they are or become a party to, the future impact of new accounting standards and, the environment in which they operate.

CIRCULAR 230 DISCLOSURE

To ensure compliance with Treasury Department Circular 230, investors are hereby notified that: (a) any discussion of United States federal tax issues in this Offering Circular is not intended or written to be relied upon, and cannot be relied upon, by any person for the purpose of avoiding penalties that may be imposed under the U.S. Internal Revenue Code of 1986; (b) such discussion is included herein by the Issuers in connection with the promotion or marketing (within the meaning of Circular 230) of the transactions addressed herein; and (c) investors should seek advice based on their particular circumstances from an independent tax adviser.

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In connection with the issue of any Tranche of Notes or Perpetual Securities, as the case may be, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Pricing Supplement may over-allot Notes or Perpetual Securities, as the case may be, or effect transactions with a view to supporting the market price of the Notes or Perpetual Securities, as the case may be, at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes or Perpetual Securities, as the case may be, is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes or Perpetual Securities, as the case may be, and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes or Perpetual Securities, the applicable Pricing Supplement. The relevant Issuer and any relevant Dealer may agree that Notes or, as the case may be, Perpetual Securities shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, a supplemental Offering Circular, if appropriate, will be published.

Words and expressions defined in “*Form of the Notes*”, “*Form of the Perpetual Securities*”, “*Terms and Conditions of the Notes*” and “*Terms and Conditions of the Perpetual Securities*” shall have the same meanings in this Overview. In addition, the term **Conditions** when used in this overview shall mean, in the case of Notes, the Terms and Conditions of the Notes and, in the case of Perpetual Securities, the Terms and Conditions of the Perpetual Securities.

Issuers:	Keppel Land Limited Keppel Land Financial Services Pte. Ltd.
Guarantor (in respect of Notes or Perpetual Securities issued by KLFS):	Keppel Land Limited
Description:	Multicurrency Medium Term Note Programme
Arrangers:	DBS Bank Ltd. The Hongkong and Shanghai Banking Corporation Limited Standard Chartered Bank
Dealers:	DBS Bank Ltd. The Hongkong and Shanghai Banking Corporation Limited Standard Chartered Bank and any other Dealers appointed in accordance with the Programme Agreement.
Certain Restrictions:	Each issue of Notes or Perpetual Securities denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “ <i>Subscription and Sale</i> ”) including the following restrictions applicable at the date of this Offering Circular.

Notes having a maturity of less than one year

Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see “*Subscription and Sale*”.

The minimum specified denomination of each Note or Perpetual Security to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under Directive 2003/71/EC (the **Prospectus Directive**) shall be €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes or Perpetual Securities).

Trustee:	HSBC Institutional Trust Services (Singapore) Limited
Principal Paying Agent:	The Hongkong and Shanghai Banking Corporation Limited
Registrar and Transfer Agent in respect of Registered Notes or Registered Perpetual Securities:	The Hongkong and Shanghai Banking Corporation Limited
CMU Lodging and Paying Agent:	The Hongkong and Shanghai Banking Corporation Limited
CDP Paying Agent:	The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch
Programme Size:	Up to U.S.\$3,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuers and the Guarantor may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Guarantee:	The Notes and Perpetual Securities issued by KLFS will be unconditionally and irrevocably guaranteed by the Guarantor in accordance with the Conditions of the Notes and the Conditions of the Perpetual Securities respectively.
Distribution:	Notes and Perpetual Securities may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.

Notes and Perpetual Securities will be issued in series (each a **Series**) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest or distributions, if any), the Notes or Perpetual Securities of each Series being intended to be interchangeable with all other Notes or Perpetual Securities of that Series. Each Series may be issued in tranches (each a **Tranche**) on the same or different issue dates. The specific dates of each Tranche of the Notes or Perpetual Securities (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest or

distributions and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in the applicable Pricing Supplement.

Currencies:

Notes and Perpetual Securities may be denominated in euro, Sterling, U.S. dollars, Japanese yen, Renminbi, Singapore dollars and, subject to any applicable legal or regulatory restrictions, any other currency agreed between the relevant Issuer and the relevant Dealer.

Maturities:

Notes will have such maturities as may be agreed between the relevant Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Issuer or the relevant Specified Currency.

Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date and the relevant Issuer shall only have the right to redeem or purchase them in accordance with the Conditions of the Perpetual Securities or as otherwise specified in the applicable Pricing Supplement.

Issue Price:

Notes and Perpetual Securities may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.

Form of Notes and Perpetual Securities:

The Notes will be issued in bearer form (**Bearer Notes**) or in registered form (**Registered Notes**) as described in “*Form of the Notes*”. Bearer Notes will not be exchangeable for Registered Notes and *vice versa*.

The Perpetual Securities will be issued in bearer form (**Bearer Perpetual Securities**) or in registered form (**Registered Perpetual Securities**) as described in “*Form of the Perpetual Securities*”. Bearer Perpetual Securities will not be exchangeable for Registered Perpetual Securities and *vice versa*.

Shareholding Covenant — Notes only:

So long as any Notes remain outstanding, KLL shall at all times retain a 100 per cent. direct and/or indirect shareholding interest in the entire issued share capital of KLFS.

Negative Pledge — Notes only:

The terms of the Notes will contain a negative pledge provision as further described in Condition 4.1 of the Notes.

Fixed Rate Notes and Fixed Rate Perpetual Securities:

Fixed interest will be payable on Fixed Rate Notes and fixed distributions will be payable on Fixed Rate Perpetual Securities on such date or dates as may be agreed between the relevant Issuer and the relevant

Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the relevant Issuer and the relevant Dealer.

Floating Rate Notes and Floating Rate Perpetual Securities:

Floating Rate Notes will bear interest and Floating Rate Perpetual Securities will bear distributions at a rate determined:

- (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or
- (b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or
- (c) on such other basis as may be agreed between the relevant Issuer and the relevant Dealer.

The margin (if any) relating to such floating rate will be agreed between the relevant Issuer and the relevant Dealer for each Series of Floating Rate Notes or Floating Rate Perpetual Securities.

Index Linked Notes and Index Linked Perpetual Securities:

Payments of principal in respect of Index Linked Redemption Notes and Index Linked Redemption Perpetual Securities or of interest in respect of Index Linked Interest Notes and distributions in respect of Index Linked Distribution Perpetual Securities will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the relevant Issuer and the relevant Dealer may agree.

Other provisions in relation to Floating Rate Notes, Floating Rate Perpetual Securities, Index Linked Interest Notes and Index Linked Distribution Perpetual Securities:

Floating Rate Notes, Floating Rate Perpetual Securities, Index Linked Interest Notes and Index Linked Distribution Perpetual Securities may also have a maximum interest rate, a minimum interest rate or both.

Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, or distributions on Floating Rate Perpetual Securities and Index Linked Distribution Perpetual Securities in respect of each Distribution Period, as agreed prior to issue by the relevant Issuer and the relevant Dealer, will be payable on such Interest Payment Dates (in the case of Notes) or Distribution Payment Dates (in the case of Perpetual Securities), and will be calculated on the basis of such Day Count Fraction, as may be agreed between the relevant Issuer and the relevant Dealer.

Dual Currency Notes and Dual Currency Perpetual Securities:

Payments (whether in respect of principal, interest or distributions and whether at maturity or otherwise) in respect of Dual Currency Notes and Dual Currency Perpetual Securities will be made in such currencies, and based on such rates of exchange, as the relevant Issuer and the relevant Dealer may agree.

Zero Coupon Notes:

Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

Interest Periods and Interest Rates (in the case of Notes) and Distribution Periods and Distribution Rates (in the case of Perpetual Securities):

In the case of Notes, the length of the interest periods and, in the case of Perpetual Securities, the length of the distribution periods and the applicable interest rate or, as the case may be, the distribution rate, or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both, whereas Perpetual Securities may have a maximum distribution rate, a minimum distribution rate, or both. In the case of Notes, the use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period, whereas, in the case of Perpetual Securities, the use of distribution accrual periods permits distributions to be made on the Perpetual Securities at different rates in the same distribution period. All such information will be set out in the applicable Pricing Supplement.

Optional Deferral of Distributions — Perpetual Securities:

In the case of Perpetual Securities, the applicable Pricing Supplement will specify whether the relevant Issuer may, at its sole discretion, elect to defer (in whole or in part) any distribution which is otherwise scheduled to be paid on a Distribution Payment Date to the next Distribution Payment Date by giving a Deferral Election Notice to the Securityholders and the Trustee and the Principal Paying Agent not more than 15 nor less than five Business Days (as defined in *Terms and Conditions of the Perpetual Securities*) (or such other notice period as may be specified in the applicable Pricing Supplement) prior to a scheduled Distribution Payment Date. If Dividend Pusher is set out in the applicable Pricing Supplement, the relevant Issuer may not elect to defer any distributions if, during such period(s) as may be specified in the applicable Pricing Supplement, a Compulsory Distribution Payment Event (as defined in *the Terms and Conditions of the Perpetual Securities*) has occurred.

Cumulative Deferral of Distributions — Perpetual Securities:

In the case of Perpetual Securities, the applicable Pricing Supplement will specify whether the relevant Issuer may, at its sole discretion, elect to (in the circumstances set out in Condition 4.6(a) of the Perpetual Securities) further defer any Arrears of Distribution by complying with the notice requirement applicable to any deferral of an accrued distribution. The relevant 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 4.6 of the Perpetual Securities except that Condition 4.6(d) of the Perpetual Securities shall be complied with until all outstanding Arrears of Distribution have been paid in full.

Non-Cumulative Deferral of
Distributions — Perpetual Securities:

In the case of Perpetual Securities, if Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement, the relevant 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 relevant Issuer in respect of such Perpetual Securities. Such unpaid distributions or part thereof are non-cumulative and do not accrue distribution. If Optional Distribution is set out in the applicable Pricing Supplement, the relevant Issuer may, at its sole discretion, and at any time, elect to pay an Optional Distribution (*as defined in the Conditions of the Perpetual Securities*) at any time by giving notice of such election to the Securityholders, the Trustee and the Principal Paying Agent not more than 20 nor less than five Business Days (or such other notice period as may be specified in the applicable Pricing Supplement) prior to the relevant payment date specified in such notice.

Restrictions in the case of a Deferral
— Perpetual Securities:

In the case of Perpetual Securities, if Dividend Stopper is specified as being applicable in the applicable Pricing Supplement and on any Distribution Payment Date, payment of all Distribution payments scheduled to be made on such date is not made in full by reason of Condition 4.6 of the Perpetual Securities, the relevant Issuer and the Guarantor shall not:

- (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:
 - (i) if the Perpetual Security is a Senior Perpetual Security, any of its Junior Obligations (as defined in the relevant Pricing Supplement); or
 - (ii) if the Perpetual Security is a Subordinated Perpetual Security, any of its Junior Obligations or Parity Obligations (as defined in the relevant Pricing Supplement),

(except (A) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants or (B) in relation to the Parity Obligations on a pro-rata basis); or

(b) redeem, reduce, cancel, buy-back or acquire for any consideration:

- (i) if the Perpetual Security is a Senior Perpetual Security, any of its Junior Obligations; or
- (ii) if the Perpetual Security is a Subordinated Perpetual Security, any of its Junior Obligations or Parity Obligations,

(other than (A) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants or (B) as a result of the exchange or conversion of Parity Obligations for Junior Obligations),

in each case, unless and until the relevant Issuer or the Guarantor (as the case may be) (1) (if Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) has satisfied in full all outstanding Arrears of Distribution; (2) (if Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) a redemption of all the outstanding Perpetual Securities in accordance with Condition 5 of the Perpetual Securities has occurred, the next scheduled Distribution has been paid in full, or an Optional Distribution equal to the amount of a Distribution payable with respect to the most recent Distribution Payment Date that was unpaid in full or in part, has been paid in full; or (3) is permitted to do so by an Extraordinary Resolution (as defined in the Trust Deed) of the Securityholders, and/or as otherwise specified in the applicable Pricing Supplement.

Redemption of Notes:

The applicable Pricing Supplement will specify the basis for calculating the redemption amounts payable and indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the relevant Issuer and/or the Noteholders upon giving notice to the Noteholders or the relevant Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the relevant Issuer and the relevant Dealer.

The applicable Pricing Supplement may provide that Notes may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Pricing Supplement.

Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "*Certain Restrictions — Notes having a maturity of less than one year*" above.

Redemption of Perpetual Securities:	The applicable Pricing Supplement will specify the basis for calculating the redemption amounts payable and indicate the circumstances in which the relevant Perpetual Securities may be redeemed prior to their stated maturity, whether due to taxation reasons, accounting reasons, at the option of the relevant Issuer, upon the occurrence of a Tax Deductibility Event (as defined in Condition 5 of the Perpetual Securities) or in the case of a minimal outstanding amount of Perpetual Securities.
Denomination of Notes and Perpetual Securities:	The Notes and the Perpetual Securities will be issued in such denominations as may be agreed between the relevant Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see " <i>Certain Restrictions — Notes having a maturity of less than one year</i> " above.
Taxation:	All payments in respect of any Notes and any Perpetual Securities will be made without any withholding or deduction for or on account of any present or future taxes, duties, assessments or government charges of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction as provided in Condition 8 of the Notes and Condition 7 of the Perpetual Securities, unless the withholding or deduction of taxes is required by law. In the event that any such deduction is made, the relevant Issuer or, as the case may be, the Guarantor will, save in certain limited circumstances provided in Condition 8 of the Notes and Condition 7 of the Perpetual Securities, be required to pay additional amounts as may be necessary in order that the net amounts received by the Noteholders (in the case of Notes) or Securityholders (in the case of Perpetual Securities) after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of any Notes or Perpetual Securities, as the case may be, in the absence of the withholding or deduction.
Events of Default (including Cross Default) — Notes:	The terms of the Notes will contain events of default (including a cross default provision) as further described in Condition 10 of the Notes.
Enforcement Events — Perpetual Securities:	There are no events of default under the Perpetual Securities. The terms of the Perpetual Securities will contain enforcement events as further described in Condition 9(b) of the Perpetual Securities.

Limited right to institute proceedings in relation to Perpetual Securities:

The right to institute Winding-Up proceedings is limited to circumstances where payment has become due. In the case of any payment of distribution, such distribution will not be due if the relevant Issuer has elected to defer that distribution in accordance with Condition 4.6 of the Perpetual Securities.

Proceedings for Winding-Up in relation to Perpetual Securities:

If an Enforcement Event occurs, the relevant Issuer (or, as the case may be, the Guarantor) shall be deemed to be in default under the Trust Deed and the Perpetual Securities (in the case of the relevant Issuer) and the Guarantee (in the case of the Guarantor) and the Trustee may, subject to the provisions of Condition 9(d) of the Perpetual Securities, institute proceedings for the Winding-Up of the relevant Issuer or, as the case may be, the Guarantor and/or prove in the Winding-Up of the relevant Issuer or, as the case may be, the Guarantor and/or claim in the liquidation of the relevant Issuer and/or the Guarantor for such payment.

Status of the Notes and the Guarantee:

The Notes and any related Receipts and Coupons will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4.1 (*Negative Pledge*) of the Notes) unsecured obligations of the relevant Issuer and will rank *pari passu* and without any preference among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the relevant Issuer from time to time outstanding.

The payment obligations of the Guarantor under the Guarantee (as defined in the Trust Deed) in respect of the Notes are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4.1 (*Negative Pledge*) of the Notes) unsecured obligations of the Guarantor and (save for certain obligations required to be preferred by law) rank equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor from time to time outstanding.

Status of the Senior Perpetual Securities and Senior Guarantee:

The Senior Perpetual Securities and the Coupons relating to them will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer.

The payment obligations of the Guarantor under the Senior Guarantee in respect of the Senior Perpetual Securities constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and (save for certain obligations required to

be preferred by law) shall at all times rank equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor from time to time outstanding.

Status of the Subordinated Perpetual Securities and the Subordinated Guarantee:

The Subordinated Perpetual Securities and the Coupons relating to them will constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves and with any Parity Obligations (as defined in the applicable Pricing Supplement) of the Issuer. The rights and claims of the Securityholders in respect of the Subordinated Perpetual Securities are subordinated as provided in Condition 3(b) (*Subordinated Perpetual Securities*) of the Perpetual Securities.

The payment obligations of the Guarantor under the Subordinated Guarantee (as defined in the Trust Deed) will constitute direct, unconditional, unsecured and subordinated obligations of the Guarantor and shall at all times rank equally with any Parity Obligations of the Guarantor. The rights and claims of the Securityholders and Couponholders in respect of the Subordinated Guarantee are subordinated as provided in Condition 3(b) (*Subordinated Perpetual Securities*) of the Perpetual Securities.

Subordination of Subordinated Perpetual Securities:

Subject to the insolvency laws of Singapore and other applicable laws, in the event of the Winding-Up of the relevant Issuer, the rights of the Securityholders to payment of principal of and distribution on the Subordinated Perpetual Securities and the Coupons relating to them are expressly subordinated and subject in right of payment to the prior payment in full of all claims of senior creditors of the relevant Issuer but at least *pari passu* with all other subordinated obligations of the relevant Issuer that are not expressed by their terms to rank junior to the Subordinated Perpetual Securities and in priority to the claims of shareholders of the relevant Issuer and/or as otherwise specified in the applicable Pricing Supplement.

Set-off in relation to Subordinated Perpetual Securities:

Subject to applicable law, no Securityholder may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the relevant Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities, and each Securityholder shall, by virtue of its holding of any Subordinated Perpetual Securities or any coupons relating to them, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the relevant Issuer. Notwithstanding the preceding sentence, if any of the amounts owing to any Securityholder by the relevant Issuer in respect of, or

arising under or in connection with the Subordinated Perpetual Securities is discharged by set-off, such Securityholder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the relevant Issuer (or, in the event of its Winding-Up or administration, the liquidator or, as appropriate, administrator of the relevant Issuer) and, until such time as payment is made, shall hold such amount in trust for the relevant Issuer (or the liquidator or, as appropriate, administrator of the Issuer) and accordingly any such discharge shall be deemed not to have taken place.

Subordination of, and set-off in relation to, the Guarantee relating to the Subordinated Perpetual Securities:

The Guarantee relating to the Subordinated Perpetual Securities is subject to subordination and set-off provisions similar to those described above in relation to the relevant Issuer. For details of the subordination and set-off provisions in relation to the Guarantor, see Condition 3(b)(v) and Condition 3(b)(vi) of the Perpetual Securities.

Listing and admission to trading:

Application has been made for permission to deal in, and for quotation of, any Notes or Perpetual Securities to be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes or Perpetual Securities have been admitted to the Official List of the SGX-ST. The Notes and Perpetual Securities may also be listed on such other or further stock exchange(s) as may be agreed between the relevant Issuer and the relevant Dealer in relation to each Series.

If the application to the SGX-ST to list a particular Series of Notes or Perpetual Securities is approved, such Notes or Perpetual Securities listed on the SGX-ST will be traded on the SGX-ST in a minimum board lot size of at least S\$200,000 (or equivalent in any other currency).

Unlisted Notes or unlisted Perpetual Securities may also be issued.

The applicable Pricing Supplement will state whether or not the relevant Notes and Perpetual Securities are to be listed and, if so, on which stock exchange(s).

Clearing Systems:

Euroclear, Clearstream, Luxembourg, CDP, CMU Service and/or any other clearing system as specified in the applicable Pricing Supplement, see "*Form of the Notes*" (in the case of Notes) or "*Form of the Perpetual Securities*" (in the case of Perpetual Securities).

Governing Law:

The Notes and the Perpetual Securities, and (in the case of Notes and Perpetual Securities governed by English law) any non-contractual obligations arising out of or in connection with the Notes and the Perpetual Securities,

will be governed by, and shall be construed in accordance with, either English law or Singapore law, as specified in the applicable Pricing Supplement.

In relation to Subordinated Perpetual Securities governed by English law issued by KLL or KLFS, Condition 3(b) of the Subordinated Perpetual Securities and clauses 7.3(a) to 7.3(f) (inclusive) of the Trust Deed will be governed by, and shall be construed in accordance with, Singapore law.

Selling Restrictions:

There are restrictions on the offer, sale and transfer of the Notes and Perpetual Securities in the United States, the European Economic Area, the United Kingdom, Japan, Hong Kong and Singapore and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes or Perpetual Securities, see "*Subscription and Sale*".

United States Selling Restrictions:

Regulation S, Category 2. TEFRA C or D/TEFRA not applicable, as specified in the applicable Pricing Supplement.

RISK FACTORS

Each of the Issuers and the Guarantor believes that the following factors may affect its ability to fulfil its obligations under Notes and Perpetual Securities issued under the Programme. Most of these factors are contingencies which may or may not occur and neither Issuer nor the Guarantor is in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes and Perpetual Securities issued under the Programme are also described below.

Each of the Issuers and the Guarantor believes that the factors described below represent the principal risks inherent in investing in Notes and Perpetual Securities issued under the Programme, but the inability of the relevant Issuer or the Guarantor to pay interest, distributions, principal or other amounts on or in connection with any Notes or Perpetual Securities may occur for other reasons which may not be considered significant risks by the Issuers and the Guarantor based on information currently available to them or which they may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision.

RISKS RELATING TO THE GROUP

Risks relating to the Group's business generally

Economic and social and political conditions globally and in the countries where the Group operates may adversely impact the Group.

The U.S. and certain European economies and credit markets have experienced, and may continue to experience, volatility and liquidity disruptions, which have resulted in the consolidation, failure or near failure of a number of institutions in the banking and insurance industries. These and other related events have had a significant impact on the global capital markets associated not only with asset-backed securities but also with the global credit and financial markets as a whole. These events have resulted in a general fall in demand for real estate and in real estate prices in certain of the markets in which the Group operates, increased difficulty in borrowing from financial institutions for property related purposes, and an increased risk of counterparty default. These events could adversely affect the Group's business, financial condition, prospects and results of operations, as a result of, among other things, decreases in valuations of its properties, decreases in the sales of, or prices for, residential or commercial developments, deferment in the construction of development projects, delays in the sales launches of the Group's residential projects in order to take advantage of future periods of more robust real estate demand, decreases in rental or occupancy rates for commercial properties, insolvency of contractors resulting in construction delays, insolvency of tenants in commercial properties, inability of customers to obtain credit to finance purchases of properties and/or customer insolvencies, the granting to the Group's customers of extensions of time to pay for their purchases of the Group's properties, defaults by customers on their purchases of the Group's properties, or failure of financial and other institutions, negatively impacting treasury operations including but not limited to counterparty risks relating to deposits, money market investments and treasury contracts, including those related to foreign exchange or interest rate transactions.

In addition, many of the economies in the developing countries where the Group develops projects or owns properties differ from the economies of most developed countries in many respects including:

- extent of government involvement;
- political and economic stability;

- level of development;
- growth rate;
- control of foreign exchange; and
- allocation of resources.

While many of these developing economies have experienced significant growth in the past 20 years, growth has often been uneven, both geographically and among various sectors of the economy. The governments have implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures benefit the overall economy, but may also have a negative effect on the Group. For example, the Group's business, financial condition, prospects and results of operations may be adversely affected by governmental control over capital investments or changes in tax regulations that are applicable to the Group or regulatory changes affecting the real estate industry.

Several of the economies in which the Group operates have been transitioning from planned economies to more market-oriented economies. Although in recent years, local governments have implemented measures emphasising the utilisation of market forces for economic reform, the reduction of state ownership of productive assets and the establishment of sound corporate governance business enterprises, a substantial portion of productive assets is still owned by local governments. In addition, local governments continue to play a significant role in regulating industrial development through industrial policies. Accordingly, changes introduced by those governments during this transition may adversely affect the Group's business, financial condition, prospects and results of operations. Please refer to the risk factor entitled "The Group is subject to government regulation in the countries where it operates" for more details.

The Group may also be adversely affected by exchange controls, changes in taxation laws, changes in foreign investment policies and other restrictions and controls which may be imposed by the relevant authorities of the countries in which the Group operates.

The Group is subject to government regulation in the countries where it operates.

The real estate industry in the countries in which the Group operates is subject to significant government regulations, which may result in a reduction in the Group's income or an increase in the Group's costs (including, for example, changes in tenancy laws that limit the Group's recovery of certain property operating expenses or changes in environmental laws that require significant capital expenditure). In addition, regulatory approvals may be required for, among other things, land and title acquisition, development planning and design, construction and mortgage financing and refinancing. Such approvals may stipulate, among other things, maximum periods for the commencement of development of the land. Some of these countries may also restrict the level, percentage and manner of foreign ownership and investment in real estate or may impose additional costs on foreigners seeking to invest in or own properties. Such regulations are at times ambiguous and their interpretations and applications can be inconsistent and can affect demand for the Group's properties and may be potentially detrimental to the Group. If the Group fails to obtain the relevant approvals or comply with applicable laws and regulations, it may, among other things, be subject to penalties, have its licences or approvals revoked, or lose its right to own, develop or manage its properties and its businesses, any or all of which could have a material and adverse impact on its business, financial condition, prospects and results of operations.

Governments of the countries in which the Group operates may also seek to promote a stable and sustainable property market by monitoring the property market and adopting measures as and when they deem necessary. These governments may introduce new policies or amend or abolish existing policies at any time and these policies may have retroactive effect. These changes may

have a material and adverse impact on the overall performance of the property markets in which the Group operates and thus affect the Group's business, financial condition, prospects and results of operations. For example, the Singapore government imposed stamp duty on sellers of residential properties which were sold within four years of acquisition in January 2011. In addition, the Singapore government has introduced an additional buyer's stamp duty, over and above the existing buyer's stamp duty, to be paid by certain groups of people who acquire residential properties in Singapore.

The Monetary Authority of Singapore (the **MAS**) also imposes constraints on the types, quantum and tenure of loans for residential properties. For example, on 5 October 2012, the MAS announced limits on loan tenure and reduced loan-to-value ratios (**LTV**) for property loans issued by banks subject to MAS regulation. Loan tenures are capped at 35 years (compared to no limit on tenure previously), whilst property loans with tenures greater than 30 years or maturing beyond the borrower's retirement age (currently 65) will have a reduced LTV of 60 per cent. Similarly, those persons with outstanding property loans wishing to apply for further property loans with tenures exceeding 30 years or maturing beyond retirement age will be subject to a reduced LTV of 40 per cent. Also, the LTV for residential property loans to non-individual borrowers will be lowered to 40 per cent. The Singapore government is likely to continue to monitor the Singapore property market. Should any new or more stringent measures be introduced to the property market, the Group's business, financial condition, prospects and results of operations may be adversely affected.

In addition, in the countries in which the Group operates, in order to develop and complete a property development, a property developer must obtain various permits, licences, certificates and other approvals from the relevant administrative authorities at various stages of the property development process, including land use rights certificates, planning permits, construction permits, pre-sale permits and certificates or confirmation of completion and acceptance. Each approval is dependent on the satisfaction of certain conditions. Problems may be encountered in obtaining such government approvals or in fulfilling the conditions required for obtaining the approvals, especially as new laws, regulations or policies may come into effect from time to time with respect to the real estate industry in general or the particular processes with respect to the granting of approvals. If the Group fails to obtain relevant approvals or fulfil the conditions of those approvals for its property developments, these developments may not proceed as scheduled, and the Group's business, financial condition, prospects and results of operations may be adversely affected.

The Group's investments are currently concentrated in Asia.

The majority of the Group's business activities are currently concentrated in Asia, mainly in Singapore, China, Indonesia, Vietnam and India. As at 30 September 2012, approximately 50 per cent. of the Group's total assets were located in Singapore and approximately 50 per cent. of the Group's total assets were located overseas. As a result, the Group's revenue, prospects, results of operations and future growth depend, to a large extent, on the continued growth of the markets in Asia. Given this concentration of the Group's business activities, the specific laws, regulations, practices, economic and financial conditions, property market and other aspects of each of these countries and their corresponding micro-regions could have a significant impact on the business, financial condition, operations and results of the Group. In addition, future excesses in property supply over demand as a result of economic uncertainty, slower growth and increased interest rates (which reduces the ability of the Group's customers to finance real estate purchases and increases the Group's own costs of financing) may lead to further volatility in property prices and yields which could in turn adversely affect the Group's business, financial condition, prospects and results of operations.

For example, property values in Singapore have historically experienced cyclical patterns in which periods of price increases were often followed by periods of stagnating or declining prices. A substantial portion of the Group's earnings depends on the continued strength in the residential

and commercial property markets in Singapore, which in turn are dependent on general economic and business conditions. Given that the economic conditions are likely to affect property values, the Group may potentially incur non-cash losses in its profit and loss account due to a reduction of asset values.

The legal system in China is less developed than in certain other countries and laws in China may not be interpreted and enforced in a consistent manner.

The Chinese legal system is a civil law system. Unlike the common law system, the civil law system is based on written statutes in which decided legal cases have little value as precedents. Since 1979, the Chinese government has begun to promulgate a comprehensive system of laws and has introduced many new laws and regulations to provide general guidance on economic and business practices in China and to regulate foreign investment. Progress has been made in the promulgation of laws and regulations dealing with economic matters such as corporate organisation and governance, foreign investment, commerce, taxation and trade. The promulgation of new changes to existing laws and the abrogation of local regulations by national laws could have a negative impact on the business and prospects of the Group. In addition, as these laws, regulations and legal requirements are relatively recent, their interpretation and enforcement may involve significant uncertainty. The interpretation of Chinese laws may be subject to policy changes, which reflect domestic political changes. As the Chinese legal system develops, the promulgation of new laws, changes to existing laws and the pre-emption of local regulations by national laws may have an adverse effect on the Group's business and financial condition.

The Group has certain hotel operations in Myanmar, a country that is currently subject to certain U.S. and other international trade restrictions, economic embargoes and sanctions.

Keppel Land currently owns, operates and manages two hotels in Myanmar, namely Sedona Hotel Yangon and Sedona Hotel Mandalay, through certain of its wholly owned subsidiaries. These hotels constitute less than 1% of the Group's consolidated assets as at 30 September 2012 and as at 31 December 2011. Myanmar is a country which has been subject to U.S. Department of Treasury's Office of Foreign Asset Control (**OFAC**) and other international sanctions. As at the date of this Offering Circular, most but not all of the sanctions administered by the European Union and by OFAC against Myanmar, have been suspended.

The Issuers and the Guarantor have undertaken to the Dealers that it will ensure that proceeds raised in connection with the issue of any Securities will not directly or indirectly be used for the purpose of financing or facilitating the activities of any person, entity, country or territory, that, at the time of such funding or facilitation, is the target of any such sanctions. Further, as far as Keppel Land is aware, it has not been put on notice that its current operations in Myanmar are the target of, or breach any applicable U.S. or international sanctions. However, there can be no assurance that Keppel Land's operations in Myanmar are not actually the target of, or in breach of such sanctions and, if so, investors in the Securities may incur reputational or other risk.

Higher interest rates may have a significant impact on the real estate industry.

An increase in interest rates in Singapore and/or any of the countries in which the Group operates may negatively impact its residential and commercial property developments. Higher interest rates generally impact the real estate industry by making it harder for consumers to secure financing, which can lead to a decrease in the demand for residential and commercial sites. Any downturn in the economy or consumer confidence could negatively impact the demand for all types of property that the Group has under development and negatively affect the Group's business, financial condition, prospects and results of operations.

The Group's success in the future may depend, in part, on the successful implementation of its strategy.

The Group's ability to successfully pursue new growth opportunities will depend on its continued ability to identify and acquire suitable property development and investment projects and reach agreement with potential partners on satisfactory commercial and technical terms. There can be no assurance that such opportunities or agreements will be identified or reached or that any of the Group's proposed acquisitions or agreements will be completed on commercial terms satisfactory to the Group or at all.

In addition, the Group's strategy to recycle capital may not be successful. The Group may not be able to divest selected assets or may not be able to achieve satisfactory prices for divested assets. The Group also anticipates that its future growth will come partly from the expansion of its operations outside Singapore. The Group's overseas projects are located in both developing and developed countries. Overseas expansion will also include entering into new markets. As a participant in the international real estate market, the Group's business is subject to various risks beyond its control, such as the instability of foreign economies and governments and changes in laws and policies in overseas countries affecting trade and investment activities. The events arising from such risks could potentially affect the Group's business or investments overseas in the future. Please refer to the risk factor entitled "Economic and social and political conditions globally and in the countries where the Group operates may adversely impact the Group" for more details.

The Group operates in a capital intensive industry that relies on the availability of sizeable amounts of debt and the Group may experience limited availability of funds.

As at 30 September 2012, the Group had approximately S\$2.7 billion of total borrowings comprising short-term borrowings of S\$0.7 billion and long-term borrowings of S\$2 billion, of which approximately 26 per cent. is due to be refinanced within the next 12 months. While the Group has unutilised banking facilities and available funds, there can be no assurance that the Group will be able to refinance indebtedness as and when such indebtedness becomes due on commercially reasonable terms or at all. Additionally, the Group's level of indebtedness means that a material portion of its expected cash flows may be set aside for the payment of interest on its other indebtedness, thereby reducing the funds available to the Group for use in its general business operations or to make payments on the Notes and Perpetual Securities. The Group's significant level of indebtedness, coupled with the current global economic climate, and its obligations with respect to the financial covenants in its loan facilities, may also result in accelerated demands for payment or calls by lenders on events of default. This may restrict the Group's ability to obtain additional financing for capital expenditure, acquisitions or general corporate purposes and may cause it to be particularly vulnerable in the current or any future general economic downturn. In addition, in the event the Group is required to restructure its borrowings or provide funding to any of its subsidiaries or associated companies to preserve long term shareholder value and optimise capital management structure within the Group, it may have to incur additional indebtedness or raise further capital through the issuance of new securities.

There can be no assurance that the Group will be able to obtain additional financing for its needs, either on a short-term, or a long-term basis on terms favourable to the Group or at all. The factors that could affect the Group's ability to procure financing include the cyclicity of its business and market disruption risks which could adversely affect the liquidity, interest rates and the availability of funding sources. In addition, further consolidation in the banking industry in Singapore and/or elsewhere in Asia may also reduce the availability of credit as the merged banks seek to reduce their combined exposure to any one company or sector.

The Group's guarantees may be called upon and put or call options may be exercised which may require funds to be disbursed.

During the course of the Group's business, it may be required to provide guarantees including in the form of put and call options and corporate and bank guarantees to third parties in respect of its obligations. If a put or call option is exercised or a guarantee is called upon, this may require

funds to be disbursed. Such disbursement of funds may also require the Group to source for additional financing and/or refinance existing debt obligations. There can be no assurance that additional financing to satisfy the Group's guarantees will be obtained on terms favourable to the Group.

The Group is subject to risks inherent in joint venture structures and/or funds.

The Group has, and expects in the future to have, interests in joint venture entities and/or funds in connection with its property development business and property fund management business. Disagreements may occur between the Group, its joint venture partners and/or third party fund investors, as the case may be, regarding the business and operations of the joint ventures and/or funds which may not be resolved amicably. In addition, the Group's joint venture partners and/or third party fund investors may (i) have economic or business interests or goals that are not aligned with the Group's, (ii) take actions contrary to the Group's instructions, requests, policies or objectives, (iii) be unable or unwilling to fulfil their obligations, (iv) have financial difficulties or (v) have disputes with the Group as to the scope of their responsibilities and obligations.

Additionally, in light of the current economic climate, the Group's joint venture partners or third party fund investors (a) may not be able to fulfil their respective contractual obligations (for example, they may default in making payments during future capital calls or capital raising exercises), or (b) may experience a decline in creditworthiness. Although joint venture and private fund agreements generally contain terms that govern the treatment of such events to the detriment of the defaulting party and the Group would generally seek to enforce its rights as enumerated within these legal agreements, the occurrence of any of these events may materially and adversely affect the performance of the Group's joint ventures and/or funds, which in turn may materially and adversely affect its business, financial condition, prospects and results of operations.

The Group is exposed to foreign exchange risks.

The Group is exposed to foreign exchange risks due to fluctuations in foreign exchange rates. A substantial portion of the Group's investments is and will continue to be denominated in U.S. Dollars and the respective local currencies of countries where the Group operates, while its reporting currency is in Singapore Dollars. This being the case, many of the Group's activities and income, costs and operating cash flows are exposed to foreign exchange risks arising from various currency exposures, primarily with respect to the U.S. Dollar and the respective local currencies of countries where the Group operates when the assets and liabilities are translated into Singapore Dollars for financial reporting purposes. Consequently, portions of the Group's costs and margins are affected by fluctuations in the exchange rates between these currencies. As far as possible, the Group adopts a natural hedge by funding its investments in the same local currency to mitigate its exposure to exchange rate fluctuations. However, there can be no assurance that the Group will not be exposed to future exchange rate fluctuations in the relevant countries when capital and profits are repatriated back to Singapore.

The Group is exposed to general inflationary pressures.

Future increases in prices in goods and services globally may negatively affect the economic growth and stability of countries in which the Group operates, and as a result, may reduce the ability of consumers to purchase properties, shop or travel. The economic and political conditions in these countries make it difficult to predict whether goods and services will continue to be available at prices that will not negatively affect economic growth and stability. There can be no assurance that future increases in prices generally in the countries in which the Group operates will not lead to political, social and economic instability, which in turn could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

The Group is subject to interest rate fluctuations.

As at 30 September 2012, the Group had consolidated borrowings of approximately S\$1.3 billion which bear floating interest rates. Consequently, the interest cost to be borne by the Group for its floating interest rate borrowings will be subject to fluctuations in interest rates. In addition, the

Group is subject to market disruption clauses contained in its loan agreements with banks. Such clauses state that to the extent that the banks may face difficulties in raising funds in the interbank market or are paying materially more for interbank deposits than the displayed screen rates, they may pass on the higher costs of funds to the borrower despite the margins agreed. Furthermore, although the Group may enter into some hedging transactions to partially mitigate the risk of interest rate fluctuations, there can be no assurance that its exposure to interest rate fluctuations will be adequately covered. As a result, the Group's business, financial condition, prospects and results of operations could potentially be adversely affected by interest rate fluctuations.

The Group's performance may be affected by its ability to attract and retain personnel.

The Group's future performance depends largely on its ability to attract, train, retain and motivate high quality personnel, especially for its management and technical teams. The loss of key employees may have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

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

Outbreaks of communicable diseases could lead to disruptions in the functioning of international markets and adversely affect Singapore and other economies in which the Group operates. Any material change in the financial markets, Singapore economy or regional economies as a result of these events or developments may materially and adversely affect the Group's business, financial condition, prospects and results of operations. The outbreak of an infectious disease in Asia and elsewhere, together with any resulting restrictions on travel and/or imposition of quarantine measures, could have a negative impact on the global economy, and business activities in Asia and could thereby adversely impact the revenues and results of the Group. There can be no assurance that any precautionary measures taken against infectious diseases would be effective. A future outbreak of an infectious disease or any other serious public health concern in Asia could seriously harm the Group's business.

The Group is exposed to terrorist attacks, other acts of violence or war and adverse political developments.

Terrorist attacks worldwide have resulted in substantial and continuing global economic volatility and social unrest. Further developments stemming from these events or other similar events could cause further volatility. The direct and indirect consequences of any of these terrorist attacks or armed conflicts are unpredictable, and the Group may not be able to foresee events that could have an adverse effect on its business operations and results. Any additional response by attacked nations or their allies or any further terrorist activities could also materially and adversely affect international financial markets and the economies in which the Group operates and may thereby adversely affect its business, financial condition, prospects and results of operations.

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

From time to time, the Group may be involved in disputes with various parties such as contractors, sub-contractors, consultants, suppliers, construction companies, purchasers and other partners involved in the development, operation, purchase and sale of its properties. These disputes may lead to legal and other proceedings, and may cause the Group to suffer additional costs and delays in the construction or completion of its properties. 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 may result in financial losses and delay the construction or completion of its projects.

There can be no assurance that these disputes will be settled, or settled on favourable or reasonable terms. In the event such disputes are not settled on favourable or reasonable terms, or at all, the Group's business, financial condition, prospects and results of operations may be adversely affected.

The Group's financial statements are subject to changes in accounting standards.

The Singapore Accounting Standards Council may issue new and revised accounting standards and pronouncements from time to time. Applying such standards and pronouncements to the Group's financial statements may result in a change in the presentation and measurement of financial information, and thus may result in a change in the way the Group records its revenues, expenses, assets, liabilities or reserves. The Group cannot predict the impact of these changes in accounting standards and pronouncements. These changes could adversely affect the Group's reported financial results and positions and adversely affect the comparability of the Group's future financial statements with those relating to prior periods.

Due diligence on the Group's properties may not identify all material defects, breaches of laws and regulations and other deficiencies.

There can be no assurance that the Group's reviews, surveys or inspections (or the relevant review, survey or inspection reports on which it has relied) would have revealed all defects or deficiencies affecting properties that it has interests in or manage, including to the title thereof. In particular, there can be no assurance as to the absence of latent or undiscovered defects or deficiencies or inaccuracies or deficiencies in such reviews, surveys or inspection reports, any of which may have a material adverse impact on the Group's business, financial condition, prospects and results of operations.

The Group has a holding company structure.

Most of Keppel Land's assets are shareholdings in its subsidiaries and associated companies (both listed and unlisted, including in the form of a real estate investment trust (**REIT**)), which in turn hold the residential and commercial real estate and mixed use developments portfolio of the Group. Keppel Land's ability to continue to satisfy its payment obligations, including obligations under the Notes and the Perpetual Securities issued by Keppel Land and the Guarantee, is therefore subject to the up-streaming of dividends, distributions and other payments received from its subsidiaries and associated companies (including the REIT). Both the timing and ability of certain subsidiaries and associated companies (including the REIT) to pay dividends and distributions are limited by applicable laws and may be limited by conditions contained in certain of their agreements. In the event that Keppel Land's subsidiaries and associated companies (including the REIT) do not pay any dividends or distributions or do so irregularly, the Group's performance may be adversely affected. In light of the current economic climate, the Group's subsidiaries and associated companies (including the REIT) may have difficulty in accessing the financial markets and as a result seek further capital funding or financial support from the Group and this may materially and adversely affect the Group's financial condition and results of operations. Additionally, the holding company structure may restrict Keppel Land's ability to freely deploy funds across the Group preventing Keppel Land from effectively optimising capital management sources and needs across the Group.

As a result of the holding company structure of the Group, the Notes and the Perpetual Securities issued by Keppel Land, and the Guarantee, are also structurally subordinated to any and all existing and future liabilities and obligations of Keppel Land's subsidiaries and associated companies (including the REIT) since these subsidiaries and associated companies own the vast majority of Keppel Land's assets. Generally claims of creditors, including trade creditors, and claims of preferred shareholders (if any) of any such subsidiaries and associated companies (or the REIT) will have priority with respect to the assets and earnings of such subsidiaries and associated companies (or the REIT) over the claims of Keppel Land and its creditors, including the holders of the Notes and the Perpetual Securities.

Risks relating to the Group's property development business

Some or all of the Group's existing and planned projects may not be completed.

The success and financial performance of the Group will depend on its ability to identify, develop, market and sell its developments in a timely and cost effective manner. The Group's development activities are subject to the risks of changes in regulations, delays in obtaining required approvals, availability of raw materials, increases in construction costs, natural disasters, any reliance on third party contractors as well as the risk of decreased market demand during the development of a project. As a result of these and other factors described herein, no assurance can be given as to whether or when existing and planned projects will be successfully completed. Although the Group plans to apply many of the development and marketing strategies that it has employed in the past, new projects may pose unforeseen challenges and demands on its managerial and financial resources. Non-completion of such developments, or any of the Group's other developments, may have a material and adverse effect on the Group's business, financial condition, prospects and results of operations.

The Group is exposed to fluctuations in the residential and commercial property markets.

The real estate development industry in Singapore and the other countries in which the Group operates is cyclical and is significantly affected by changes in general and local economic conditions, including employment levels, availability of financing, interest rates, consumer confidence and demand for developed products, whether residential or commercial. The process of development of a project begins, and financial and other resources are committed, long before a real estate project comes to market, which could occur at a time when the real estate market is depressed. A depressed real estate market will adversely affect the Group's business, financial condition, prospects and results of operations.

The Group is exposed to general risks associated with the ownership and management of real estate.

Real estate investments are generally illiquid, limiting the ability of an owner or a developer to convert property assets into cash on short notice with the result that property assets may be required to be sold at a discount in order to ensure a quick sale. Such illiquidity also limits the Group's ability to manage its portfolio in response to changes in economic or other conditions. Moreover, the Group may face difficulties in securing timely and commercially favourable financing in asset-based lending transactions secured by real estate due to such illiquidity or as a result of restrictions in its various debt obligations.

Property investments are subject to risks incidental to the ownership and management of residential and commercial properties including, among other things, competition for tenants, changes in market rents, inability to renew leases or re-let space as existing leases expire, inability to dispose of major investment properties for the values at which they are recorded in the Group's financial statements, increased operating costs, the need to renovate, repair and re-let space periodically and to pay the associated costs, wars, terrorist attacks, riots, civil commotions, natural disasters and other events beyond the Group's control. The Group's activities may also be impacted by changes in laws and governmental regulations in relation to real estate, including those governing usage, zoning, taxes and governmental charges. Such revisions may lead to an increase in management expenses or unforeseen capital expenditures to ensure compliance. Rights related to the relevant properties may also be restricted by legislative actions, such as revisions to the laws relating to building standards or town planning laws or the enactment of new laws relating to government appropriation, condemnation and redevelopment.

The Group's insurance policies may be insufficient to cover potential liabilities and losses.

Although the Group maintains insurance, arranged through reputable insurance brokers and with reputable insurance companies that the Group believes is consistent with industry standards to protect against its operational risks, certain types of risks (such as war risks) may be uninsurable or the cost of insurance may be prohibitive or not economically viable when compared to the risks. The Group currently maintains insurance on a 'First Loss' basis for acts of terrorism for certain of its properties in Singapore, Thailand, Indonesia, Vietnam and China. The Group also maintains global property damage and business interruption and general/public liability insurance in the Asia Pacific region but principally in Singapore, Myanmar, Vietnam, Indonesia, China and Thailand. 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 affected property as well as anticipated future revenue for that property. There can be no assurance that material losses in excess of insurance proceeds will not occur in the future or that adequate insurance coverage will be available in the future on commercially reasonable terms or at commercially reasonable rates.

The Group's property development business is subject to external factors in foreign countries.

The Group's property development business has development projects in countries where the projects are dependent on obtaining the approvals of a variety of governmental authorities at different levels, receipt of which cannot be assured. These development projects have been and may in the future be subject to certain risks, including the cyclical nature of the property markets, changes in governmental regulations and economic policies, including, among other things, regulations and policies restricting construction of properties and buildings and related limitations on extensions of credit, building material shortages, increases in labour and material costs, changes in general economic and credit conditions and the illiquidity of land and other property. There can be no assurance that required approvals will be obtained or that the cost of the Group's developments will not exceed projected costs.

Although the Group generally seeks to maintain a sufficient level of control over the projects through ownership of a controlling interest and/or management in order to impose established financial control, management and supervisory techniques, property investment and development in these countries may involve special risks or problems associated with joint venture partners, including, among other things, inconsistent business interests or one or more of the partners experiencing financial difficulties.

The Group's property development business requires substantial capital investments and may require the Group to seek external financing which may not be available on terms acceptable to it or at all.

The Group's property development business pursues a strategy of pre-selling the development properties. This reduces the need for the Group to seek external financing as payments are received in advance from the purchasers of the Group's development properties. There can be no assurance that the Group's pre-selling strategy will be sufficient to help cover all of the Group's anticipated financing needs. The Group's property development business may be required to seek external financing to fund working capital or capital expenditures to support the completion of its properties.

The Group's ability to arrange for external financing and the cost of such financing are dependent on numerous factors, including general economic and capital market conditions, interest rates, credit availability from banks or other lenders, investor confidence in the Group, success of the Group's businesses, provisions of tax and securities laws that may be applicable to the Group's efforts to raise capital, any restrictions imposed on the lenders in the provisions of loans to the property sector in countries where it operates, and political and economic conditions. There can be no assurance that additional financing either on a short term or long term basis would be available, or if available, would be obtained on terms favourable or acceptable to the Group.

The Group's property development business may face increasing competition in property markets.

The Group's residential and commercial development operations face competition from both international and local property developers with respect to factors such as location, facilities and supporting infrastructure, services and pricing. Intensified competition between property developers may result in increased costs for land acquisition, oversupply of properties and a slowdown in the approval process for new property developments by the relevant government authorities, all of which may adversely affect the Group's property development business. There can be no assurance that the Group's strategies will be effective or that it will be able to compete successfully in the future against its existing or potential competitors or that increased competition with respect to its activities may not have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

The Group's property development business faces competition from other property developers who may have greater financial resources than the Group. This competition may limit the Group's opportunity to invest in projects that could add value or have a higher rate of return.

The Group is dependent on the quality of title to the properties in its land bank.

Due to the immature nature of property law in some of the countries where the Group operates and the lack of a uniform title system in such countries, there is potential for disputes over the quality of titles purchased from previous landowners. For example, in Indonesia, the Group must negotiate each time it acquires land as a licence-holder with the actual owner of the land which may result in purchases of property (and thereby the obtaining of title to the relevant land) being delayed or not proceeding in the event that negotiations are unsuccessful. Such delays in acquiring properties required for the Group's development activities could negatively affect its business, financial condition, prospects and results of operations.

The Group's land and/or real property may be subject to compulsory acquisition.

Land and real property comprise a significant part of the Group's property development business. Properties of the Group or the land on which the properties therein are located in and outside of Singapore may be compulsorily acquired by the respective governments of the countries in which they are located for, among other things, public use or due to public interest. In the event the Group's properties or the land on which they are located are compulsorily acquired, and the market value of the land (or part thereof), to be compulsorily acquired is greater than the compensation paid to the Group in respect of the acquired land, the income of the Group may be adversely affected. Accordingly, the Group's business, financial condition, prospects and results of operations would be adversely affected.

The Group is subject to risks in relation to its pre-sold properties.

Failure or delay in completion or delivery

In the event the Group pre-sells any properties prior to completion of construction, it may be liable for potential losses that purchasers of such pre-sold properties may suffer if there is a failure or delay in the delivery of such pre-sold properties. Failure to complete a property development on time may be attributed to factors such as delays in obtaining requisite licences, permits or approvals from government agencies or authorities, shortages of labour, adverse weather conditions, natural disasters, labour disputes, disputes with contractors, accidents and changes in government priorities and policies.

If the delay in delivery extends beyond the contractually specified period, purchasers may also be entitled to terminate the pre-sale agreements and claim refunds of monies paid, damages and compensation for late delivery. There can be no assurance that the Group will not experience failure or significant delays in completion or delivery.

Payment default by purchasers

Following the global financial crisis in 2009 and the imposition of lending restrictions by governments in certain countries, financial institutions have reduced the availability of credit as well as increased borrowing costs. This has resulted in a general fall in real estate prices and the demand for real estate, as well as a decrease in the value of other securable interests which purchasers of properties could provide to such financial institutions in certain of these countries. Purchasers of the Group's properties under deferred payment schemes or otherwise may find it increasingly difficult to secure financing to fund their purchases and could default on their obligations to pay for their units. The Group has granted and may from time to time grant purchasers of its properties (including purchasers of a substantial number of units in a development) an extension of time to pay for their units. There can be no assurance that any such extension or other accommodation granted by the Group to purchasers in respect of their obligations to pay for their units, will subsequently result in a purchaser being able to pay for their units.

In the event a purchaser defaults, and the total amount in default is substantial, this could adversely affect the Group's business, financial condition, prospects and results of operations.

Certain construction risks may arise during the development of any new property.

Construction of new developments entails significant risks, including shortages of materials or skilled labour, unforeseen engineering, environmental or geological problems, work stoppages, litigation, weather interference, floods and unanticipated cost increases, any of which could give rise to delays in completion or result in cost overruns. Any significant increase in the price of construction materials, for example, would increase the cost of development. 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 developments. If any of these events were to occur, the Group's business, financial condition, prospects and results of operations, would be adversely affected.

The Group relies on contractors to provide it with various services.

The Group engages third-party contractors to provide it with various services in connection with its residential and commercial developments, including construction, piling and foundation, building and property fitting out work, interior design, installation of air-conditioning units and lifts and gardening and landscaping work. The Group is exposed to the risk that a contractor may require additional capital in excess of the price originally tendered to complete a project and it may have to bear such additional amounts in order to provide the contractor with sufficient incentive to complete the project.

Furthermore, there is a risk that contractors may experience financial or other difficulties, which may affect their ability to carry out or continue works, thus delaying the completion of development projects or resulting in additional cost to the Group. There can be no assurance that the services rendered by third-party contractors will be satisfactory or match the Group's targeted quality levels. If any of these events were to occur, the Group's business, financial condition, prospects and results of operations may be adversely affected.

The Group could incur significant costs related to environmental matters.

The Group may be subject to various laws and regulations in countries where it operates relating to the protection of the environment that may require a current or previous owner of such real estate to investigate and clean up hazardous or toxic substances at a property. For example, in Indonesia, owners and operators of real estate may be liable for the costs of removal or remediation of certain hazardous substances or other regulated materials on or in such property. Such laws often impose such liability without regard to whether the owner or operator knew of, or was responsible for, the presence of such substances or materials. The cost of investigation, remediation or removal of these substances may be substantial.

Environmental laws may also impose compliance obligations on owners and operators of properties with respect to the management of hazardous materials and other regulated substances. Failure to comply with these laws can result in penalties or other sanctions.

Existing environmental reports with respect to any of the Group's properties may not reveal (i) all environmental liabilities, (ii) that prior owners or operators of the properties did not create any material environmental condition not known to the Group, or (iii) that a material environmental condition does not otherwise exist in any one or more of the properties. There also exists the risk that material environmental conditions, liabilities or compliance concerns may have arisen after the review was completed or may arise in the future. Finally, future laws, ordinances or regulations and future interpretations of existing laws, ordinances or regulations may impose additional material environmental liability. The Group may be subject to liabilities or penalties relating to environmental matters which could adversely affect the Group's business, financial condition, prospects and results of operations.

Risks relating to the Group's property fund management business

The Group's property fund management business is subject to investment risks and market fluctuations.

The capital value of investments in the Group's property fund management business may fall as well as rise and the income derived from them may fluctuate. A fall in such capital values may result in a reduction in the level of income which the Group may derive and/or a reduction in the aggregate value of such investments may require additional contributions from investors.

The Group's property fund management business is subject to changes in general economic conditions such as fluctuations in the financial and property markets, increases in inflation and changes in investment returns. Adverse effects on the Group resulting from changes to market conditions could include reduced returns on investments and an increase in credit defaults. Falls in investment returns could impair the Group's operational capability, including its ability to derive new business. Adverse general movements in the market and consequent reductions in the value of assets under the Group's management may lead to reduced operating profit of the Group.

The Group's property fund management business is subject to operational risks.

The Group's property fund management business is subject to operational risks, including the risk of direct or indirect loss resulting from inadequate or failed internal and external processes, systems and human error or from external events.

The Group's property fund management business is dependent on processing a large number of complex transactions across numerous and diverse products. Furthermore, the long term nature of the majority of the Group's business means that accurate records have to be maintained for significant periods.

The Group's property fund management's systems and processes are designed to ensure that the operational risks associated with the Group's activities are appropriately controlled, although weakness in the systems could have a negative impact on the Group's business, financial condition and results of operations during the affected period, resulting in material reputational damage, the loss of customers and could have a consequent material adverse effect on the Group's property fund management business.

The Group's property fund management business is subject to competition.

The Group's property fund management business is conducted in a highly competitive environment and its success depends on the Group's management's ability to respond to the competition.

There are many factors which affect the Group's ability to sell its products, including price and yields offered, financial strength and ratings, range of products offered and product quality, brand strength and name recognition, investment management performance and historical bonus levels. Further, heightened competition for talented and skilled employees with local experience may limit the Group's potential to grow its business.

The Group's principal competitors in the property fund management business include many of the major financial services businesses. The Group believes that competition will intensify in response to consumer demand, technological advances, the impact of consolidation, regulatory actions and other factors. The Group's ability to generate an appropriate return depends significantly on its ability to anticipate and respond appropriately to these competitive pressures.

The Group's property fund management business has illiquid real estate investments.

Real estate investments, particularly in high value properties such as those which the Group owns and which it invests in, are relatively illiquid. Such illiquidity may affect the Group's ability to vary its investment portfolio or liquidate part of its assets in response to changes in economic, real estate market or other conditions. This could have an adverse impact on the Group's business, financial condition and results of operations, and could consequently affect the Group's ability to make expected returns.

The Group's property fund management business may be subject to risks in investing outside Singapore.

As part of the Group's growth strategy, investment will be made in properties in Asia, which would expose the Group to the risk of political, economic, regulatory and social uncertainties, specific to those countries. These investments may also be adversely affected by a number of local real estate market conditions in these countries, such as oversupply, the performance of other competing properties or reduced demand for these properties. Any changes in the political environment and the policies by the governments of these countries, which include, among other things, restrictions on foreign currency conversion or remittance of earnings, the requirement for approval by government authorities, changes in law, regulations and interpretation thereof and changes in taxation could adversely affect the Group's future results and investments which will also be exposed to currency fluctuations when they are converted to Singapore Dollars. As such, unfavourable events in such foreign countries will have an adverse impact on the Group's distributable income and asset value.

RISKS RELATING TO THE NOTES AND PERPETUAL SECURITIES

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

Each potential investor in the Notes or the Perpetual Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes or, as the case may be, the Perpetual Securities, the merits and risks of investing in the Notes or, as the case may be, the Perpetual Securities and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;

- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes or, as the case may be, Perpetual Securities and the impact the Notes or, as the case may be, Perpetual Securities will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes or, as the case may be, Perpetual Securities, including Notes or Perpetual Securities with principal, interest or distributions (as the case may be) payable in one or more currencies, or where the currency for principal, interest or distribution payments is different from the potential investor's currency;
- (d) understand thoroughly the terms of the Notes or, as the case may be, Perpetual Securities and be familiar with the behaviour of any relevant indices and financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes and/or Perpetual 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 Notes or Perpetual Securities which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes or, as the case may be, Perpetual Securities will perform under changing conditions, the resulting effects on the value of the Notes or, as the case may be, Perpetual Securities and the impact this investment will have on the potential investor's overall investment portfolio.

Risks related to the structure of a particular issue of Notes or Perpetual Securities.

A wide range of Notes and Perpetual Securities may be issued under the Programme. A number of these Notes and Perpetual Securities may have features which contain particular risks for potential investors. Set out below is a description of the most common of such features:

Notes and Perpetual Securities subject to optional redemption by the Issuer

An optional redemption feature of any Notes and Perpetual Securities is likely to limit their market value. During any period when the relevant Issuer may elect to redeem such Notes and Perpetual Securities, the market value of those Notes and Perpetual Securities generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The relevant Issuer may be expected to redeem Notes and Perpetual Securities when its cost of borrowing is lower than the interest rate on the Notes or the rate of distribution on the Perpetual Securities. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes or the rate of distribution on the Perpetual Securities being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Index Linked and Dual Currency Notes and Perpetual Securities

The relevant Issuer may issue Notes and Perpetual Securities with principal, interest or distributions determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a **Relevant Factor**). In addition, the relevant Issuer may issue Notes and Perpetual Securities with principal, interest or distributions payable in one or more currencies which may be different from the currency in which the Notes and Perpetual Securities are denominated. Potential investors should be aware that:

- (i) the market price of such Notes or, as the case may be, the Perpetual Securities may be volatile;
- (ii) they may receive no interest or distributions;
- (iii) payment of principal, interest or distributions may occur at a different time or in a different currency than expected;
- (iv) they may lose all or a substantial portion of their principal;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Notes or, as the case may be, the Perpetual Securities in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal, interest or distributions payable likely will be magnified; and
- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index should not be viewed as an indication of the future performance of such index during the term of any Index Linked Notes or Index Linked Perpetual Securities. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Index Linked Notes or Index Linked Perpetual Securities and the suitability of such Notes and Perpetual Securities in light of its particular circumstances.

Partly-paid Notes and Perpetual Securities

The relevant Issuer may issue Notes and Perpetual Securities where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

Variable Rate Notes and Perpetual Securities with a multiplier or other leverage factor

Notes and Perpetual Securities with variable interest rates or distribution rates (as the case may be) can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Notes and Perpetual Securities

Inverse Floating Rate Notes and Perpetual Securities have an interest rate (in the case of Inverse Floating Rate Notes) or distribution rate (in the case of Inverse Floating Rate Perpetual Securities) equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes and Perpetual Securities typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes and Perpetual Securities are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes and the distribution rate of the Perpetual Securities, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes and Perpetual Securities.

Fixed/Floating Rate Notes and Perpetual Securities

Fixed/Floating Rate Notes and Perpetual Securities may bear interest and distributions (as the case may be) at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the relevant Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes or, as the case may be, the Perpetual Securities since the relevant Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes or, as the case may be, the Perpetual Securities may be less favourable than then prevailing spreads on comparable Floating Rate Notes or, as the case may be, Floating Rate Perpetual Securities tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes or Perpetual Securities. If the relevant Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes or, as the case may be, its Perpetual Securities.

Notes and Perpetual Securities issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Risks related to Notes and Perpetual Securities generally.

Set out below is a brief description of certain risks relating to the Notes and Perpetual Securities generally:

Modification, waivers and substitution

Each of the Conditions of the Notes and the Conditions of the Perpetual Securities contain provisions for calling meetings of Noteholders or Securityholders (as the case may be) to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders or Securityholders of a particular Series including Noteholders and Securityholders who did not attend and vote at the relevant meeting and Noteholders or Securityholders who voted in a manner contrary to the majority.

In respect of each particular Series of Securities, each of the Conditions of the Notes and the Conditions of the Perpetual Securities provide that the Trustee may agree, without the consent or sanction of the Securityholders, the Receiptholders or the Couponholders, to any modification of any of the provisions of Notes or Perpetual Securities or the Trust Deed and any other transaction documents which is not materially prejudicial to the interests of the Securityholders, the Receiptholders or the Couponholders or which is of a formal, minor or technical nature or is made to cure any ambiguity or correct a manifest error or an error which, in the reasonable opinion of the Trustee, is proven, or to comply with mandatory provisions of the law or as may be required by the clearing system in which the Securities may be held.

In respect of each particular Series of Securities, each of the Conditions of the Notes and the Conditions of the Perpetual Securities provide that the Trustee may, without the consent or sanction of the Securityholders, the Receiptholders or the Couponholders (but only if and in so far as in its opinion the interests of the Securityholders, the Receiptholders or the Couponholders shall not be materially prejudiced), waive or authorise any breach or proposed breach by an Issuer or the Guarantor of any of the covenants or provisions contained in the Trust Deed or determine that any Event of Default (in the case of Notes) or Enforcement Event (in the case of Perpetual Securities) shall not be treated as such.

In respect of each particular Series of Securities, each of the Conditions of the Notes and the Conditions of the Perpetual Securities provide that the Trustee may, without the consent of the Securityholders, agree with the relevant Issuer and the Guarantor to the substitution in place of the relevant Issuer as the principal debtor under the Notes or the Perpetual Securities of the Guarantor or any Subsidiary (as defined in the Conditions of the Notes or, as the case may be, the Conditions of the Perpetual Securities) of the Guarantor, in the circumstances described in Condition 15 of the Notes and Condition 14 of the Perpetual Securities.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On 15 September 2008, the European Commission issued a report to the Council of the European Union on the operation of the Directive, which included the Commission's advice on the need for changes to the Directive. On 13 November 2008, the European Commission published a more detailed proposal for amendments to the Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on 24 April 2009. If any of those proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the relevant Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The relevant Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

U.S. Foreign Account Tax Compliance Withholding may affect payments on the Notes and Perpetual Securities

Sections 1471 through 1474 of the U.S. Internal Revenue Code (**FATCA**) impose a new reporting regime and potentially a 30% withholding tax with respect to certain payments to any foreign financial institution (**FFI**) (as defined by FATCA) that (i) does not become a **Participating FFI** by agreeing to provide to the U.S. Internal Revenue Service (**IRS**) (or other applicable authority pursuant to an intergovernmental agreement) certain information in respect of its account holders or (ii) is not otherwise exempt from FATCA. The new withholding regime will apply to "**foreign passthru payments**" (a term not yet defined) no earlier than 2017. It is unclear whether the relevant Issuer would be treated as an FFI for purposes of FATCA.

If the relevant Issuer becomes a Participating FFI, irrespective of the Conditions of the Notes and the Conditions of the Perpetual Securities, the relevant Issuer and financial institutions through which payments on the Notes and Perpetual Securities are made may be required to withhold if (i) any FFI through or to which payment on such Notes and Perpetual Securities is made is not a Participating FFI or otherwise exempt from FATCA or (ii) an investor does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "U.S. account" of the relevant Issuer (as defined by FATCA), or is otherwise exempt from FATCA. This withholding would apply to (i) any Notes and Perpetual Securities characterised as debt for U.S. federal tax purposes that are issued or materially modified six months after the date the U.S. Treasury regulations defining foreign passthru payments are finalised and (ii) any Notes and Perpetual Securities characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued.

If an amount in respect of FATCA were to be deducted or withheld either against the relevant Issuer or from interest, distributions, principal or other payments on the Notes or the Perpetual Securities, neither the relevant Issuer nor any paying agent nor any other person would, pursuant to the Conditions of the Notes or, as the case may be, the Conditions of the Perpetual Securities, be required to pay additional amounts as a result of the deduction or withholding of such tax. As a result, investors may receive less interest, distributions, principal or other payments on the Notes or the Perpetual Securities than expected. FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on proposed U.S. Treasury regulations and official guidance, all of which are subject to change.

The application of FATCA to each issue of Notes or Perpetual Securities may be addressed in the relevant Pricing Supplement or a Supplement to this Offering Circular, as applicable.

Change of law

The conditions of the Notes and Perpetual Securities are based on English law and Singapore law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law, Singapore law or the respective administrative practices in both jurisdictions after the date of this Offering Circular.

Bearer Notes and Perpetual Securities where denominations involve integral multiples: definitive Bearer Notes and Perpetual Securities

In relation to any issue of Bearer Notes or Bearer Perpetual Securities which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes or, as the case may be, the Perpetual Securities may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Bearer Note or a definitive Bearer Perpetual Security in respect of such holding (should definitive Notes or definitive Perpetual Securities be printed) and would need to purchase a principal amount of Notes or Perpetual Securities such that its holding amounts to a Specified Denomination.

If definitive Bearer Notes and definitive Bearer Perpetual Securities are issued, holders should be aware that definitive Notes and definitive Perpetual Securities which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

The Guarantee, Senior Guarantee and Subordinated Guarantee provided by the Guarantor will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defences that may limit its validity and enforceability

The Guarantee given by the Guarantor provides holders of Notes and Perpetual Securities with a direct claim against the Guarantor in respect of the relevant Issuer's obligations under the Notes or, as the case may be, the Perpetual Securities. Enforcement of the Guarantee, the Senior Guarantee and the Subordinated Guarantee would be subject to certain generally available defences. Local laws and defences may vary, and may include those that relate to corporate benefit (*ultra vires*), fraudulent conveyance or transfer (*action pauliana*), voidable preference, financial assistance, corporate purpose, liability in tort, subordination and capital maintenance or similar laws and concepts. They may also include regulations or defences which affect the rights of creditors generally.

If a court were to find the Guarantee, the Senior Guarantee or, as the case may be, the Subordinated Guarantee given by the Guarantor, or a portion thereof, void or unenforceable as a result of such local laws or defence, or to the extent that agreed limitations on guarantees apply,

holders would cease to have any claim in respect of the Guarantor and would be creditors solely of the relevant Issuer and, if payment had already been made under the Guarantee, the Senior Guarantee or, as the case may be, the Subordinated Guarantee, the court could require that the recipient return the payment to the Guarantor.

The Notes and the Perpetual Securities may be represented by Global Notes or Global Perpetual Securities and holders of a beneficial interest in a Global Note or Global Perpetual Security must rely on the procedures of the relevant Clearing System(s)

Notes and Perpetual Securities issued under the Programme may be represented by one or more Global Notes or Global Perpetual Securities. Such Global Notes or Global Perpetual Securities will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg, CDP, or a sub-custodian for the CMU (each of Euroclear, Clearstream, Luxembourg, CDP and the CMU, a **Clearing System**). Except in the circumstances described in the relevant Global Note or Global Perpetual Security, investors will not be entitled to receive the Securities in definitive form. The relevant Clearing System(s) will maintain records of the beneficial interests in the Global Notes or Global Perpetual Securities. While the Notes or the Perpetual Securities are represented by one or more Global Notes or Global Perpetual Securities, investors will be able to trade their beneficial interests only through the Clearing Systems.

While the Notes or the Perpetual Securities are represented by one or more Global Notes or, as the case may be, Global Perpetual Securities, the relevant Issuer, failing which the Guarantor, will discharge its payment obligations under the Notes and the Perpetual Securities by making payments to or to the order of the relevant Clearing System(s) for distribution to their account holders, or in the case of the CMU, to the persons for whose account(s) interests in such Global Note or Global Perpetual Security are credited as being held in the CMU in accordance with the CMU rules and procedures as notified by the CMU to the CMU Lodging and Paying Agent in a relevant CMU Instrument Position Report or any other notification by the CMU.

A holder of a beneficial interest in a Global Note or Global Perpetual Security must rely on the procedures of the relevant Clearing System(s) to receive payments under the relevant Notes or, as the case may be, the relevant Perpetual Securities. Neither the relevant Issuer nor the Guarantor has any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes or Global Perpetual Securities (as the case may be).

Holders of beneficial interests in the Global Notes or Global Perpetual Securities will not have a direct right to vote in respect of the relevant Notes or, as the case may be, the relevant Perpetual Securities. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System(s) to appoint appropriate proxies.

Similarly, holders of beneficial interests in the Global Notes or Global Perpetual Securities will not have a direct right under the respective Global Notes or Global Perpetual Securities to take enforcement action against the relevant Issuer or the Guarantor in the event of a default under the relevant Notes or an enforcement event under the relevant Perpetual Securities but will have to rely upon their rights under the Trust Deed.

In certain limited circumstances, a delay in payment or non-payment under the Securities on the due date for payment may not constitute a default in payment

In order to comply with applicable law, regulation, requests of a public or regulatory authority or any internal group policy which relates to the prevention of fraud, money laundering, terrorism or other criminal activities or the provision of financial and other services to sanctioned persons or entities (the **Prohibited Activities**), the Agents and the Trustee, and their respective delegates, may be obliged to intercept and investigate transactions on the relevant Issuer's and/or the

Guarantor's accounts including the source of the intended recipient of funds paid into or out of the relevant Issuer's and/or the Guarantor's accounts. In certain circumstances, such action may delay or prevent the processing of the relevant Issuer's and/or the Guarantor's instructions, the settlement of transactions over the relevant Issuer's and/or the Guarantor's accounts or the Agents' or Trustee's performance of their respective obligations under the Agency Agreement and the Trust Deed, and result in a delay in payment or non-payment by the relevant Issuer and/or the Guarantor under the Securities on the due date for payment. In the limited circumstances set out in Condition 6.7 of the Notes and Condition 6.7 of the Perpetual Securities, unless a court of competent jurisdiction or relevant public or regulatory authority determines that such funds transferred by the relevant Issuer and/or the Guarantor relate to the Prohibited Activities, such delay in payment or non-payment shall not constitute a default in payment of any principal or interest or distributions, as the case may be, due under the Securities by the relevant Issuer and/or the Guarantor, and shall not entitle Securityholders, Receiptholders and/or the Couponholders to further interest, distribution or other payment in respect of such delay in payment or non-payment on the due date for payment.

Risks related to the market generally.

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

Notes and Perpetual Securities may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes or Perpetual Securities easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes and Perpetual Securities that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes and Perpetual Securities generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes or, as the case may be, Perpetual Securities.

Exchange rate risks and exchange controls

The relevant Issuer will pay principal and interest on the Notes and principal and distributions on the Perpetual Securities, and the Guarantor will make any payments under the Guarantee in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency 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 the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes and Perpetual Securities, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and Perpetual Securities and (3) the Investor's Currency-equivalent market value of the Notes and Perpetual Securities.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in Fixed Rate Notes and Fixed Rate Perpetual Securities involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes or, as the case may be, Fixed Rate Perpetual Securities.

Legal risk factors 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 consult its legal advisers to determine whether and to what extent (1) Notes and Perpetual Securities are legal investments for it, (2) Notes and Perpetual Securities can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes and Perpetual Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes and Perpetual Securities under any applicable risk-based capital or similar rules.

Singapore taxation risk.

The Notes to be issued from time to time under the Programme, during the period from the date of this Offering Circular to 31 December 2013, are intended to be “qualifying debt securities” for the purposes of the Income Tax Act, Chapter 134 of Singapore (**ITA**), subject to the fulfilment of certain conditions more particularly described in the section entitled “*Taxation — Singapore Taxation*”. However, there is no assurance that such Notes will continue to enjoy the tax concessions for qualifying debt securities should the relevant tax laws be amended or revoked at any time.

The Qualifying Debt Securities Plus Scheme (**QDS Plus Scheme**) has also been introduced as an enhancement to the Qualifying Debt Securities Scheme. Under the QDS Plus Scheme, subject to certain qualifications and conditions, income tax exemption is granted on interest, discount income (not including discount income arising from secondary trading), “prepayment fee”, “redemption premium” and “break cost” (as such terms are defined in the ITA) 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 2013;
- (b) have an original maturity of not less than 10 years;
- (c) cannot be redeemed, called, exchanged or converted within 10 years from the date of their issue; and
- (d) cannot be re-opened with a resulting tenure of less than 10 years to the original maturity date.

With respect to any tranche of the Notes issued with an original maturity of at least 10 years and which are “qualifying debt securities”, there is no assurance that holders of such Notes would enjoy any tax exemption under the QDS Plus Scheme as it is currently unclear how the above requirements would be applicable in the context of certain events occurring or which may occur within 10 years from the date of issue of such Notes.

RISKS RELATING ONLY TO PERPETUAL SECURITIES

Perpetual Securities may be issued for which investors have no right to require redemption.

Perpetual Securities may be issued by the relevant Issuer under the Programme. Perpetual Securities have no fixed final maturity date. Holders of Perpetual Securities have no right to require the relevant Issuer to redeem Perpetual Securities at any time, and an investor who acquires Perpetual Securities may only dispose of such Perpetual Securities by sale. Holders of Perpetual Securities who wish to sell their Perpetual Securities may be unable to do so at a price at or above the amount they have paid for them, or at all. Therefore, holders of Perpetual Securities should be aware that they may be required to bear the financial risks of an investment in Perpetual Securities for an indefinite period of time.

If specified in the applicable Pricing Supplement, holders of Perpetual Securities may not receive Distribution payments if the relevant Issuer elects to defer Distribution payments.

If Distribution Deferral is specified as being applicable in the applicable Pricing Supplement, the relevant Issuer may, at its sole discretion, elect to defer any scheduled distribution on the Perpetual Securities for any period of time. The relevant Issuer and the Guarantor may be subject to certain restrictions in relation to the payment of dividends on its junior or parity obligations and the redemption and repurchase of its junior or parity obligations until any Arrears of Distribution (as defined in the Conditions of the Perpetual Securities) and any Additional Distribution Amounts (as defined in the Conditions of the Perpetual Securities) are satisfied. The Issuers are not subject to any limits as to the number of times distributions can be deferred pursuant to the Conditions of the Perpetual Securities subject to compliance with the foregoing restrictions. Distributions may be cumulative or non-cumulative, as will be set out in the applicable Pricing Supplement. Either Issuer may defer their payment for an indefinite period of time by delivering the relevant deferral notices to the holders, and holders have no rights to claim any distribution, Arrears of Distribution or Additional Distribution Amount if there is such a deferral. KLFS' decision to defer distribution on the Perpetual Securities will be dictated by the decision of the Guarantor, of which it is a wholly-owned subsidiary. Investors should be aware that the interests of any relevant Issuer and/or the Guarantor, as applicable, may be different to the interests of the holders of Perpetual Securities.

If specified in the applicable Pricing Supplement, the Perpetual Securities may be redeemed at the relevant Issuer's option at date(s) specified in the applicable Pricing Supplement or on the occurrence of certain other events.

The Conditions of the Perpetual Securities provide that the Perpetual Securities may, if Redemption at the Option of the Issuer is specified as being applicable in the applicable Pricing Supplement, be redeemed at the option of the relevant Issuer on certain date(s) specified in the applicable Pricing Supplement at the amount specified in the applicable Pricing Supplement.

In addition, the relevant Issuer may also have the right (but not the obligation) to redeem the Perpetual Securities at an amount specified in the applicable Pricing Supplement for taxation reasons, accounting reasons, upon the occurrence of a Tax Deductibility Event (as defined in Condition 5 of the Perpetual Securities or in the applicable Pricing Supplement) or where the aggregate principal amount of the Perpetual Securities outstanding is less than 10 per cent. of the aggregate principal amount originally issued (details of each case as further set out in Condition 5 of the Perpetual Securities).

The date on which the relevant Issuer elects to redeem the Perpetual Securities may not accord with the preference of individual holders of Perpetual Securities. This may be disadvantageous to holders of Perpetual Securities in light of market conditions or the individual circumstances of a holder of Perpetual Securities. 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 Perpetual Securities.

There are limited remedies for default under the Perpetual Securities, the Guarantee of the Senior Perpetual Securities and the Guarantee of the Subordinated Perpetual Securities.

Any scheduled distribution will not be due if the relevant Issuer elects to defer that distribution pursuant to the Conditions of the Perpetual Securities. Notwithstanding any of the provisions relating to non-payment defaults, the right to institute Winding-Up proceedings is limited to circumstances where payment has become due and the relevant Issuer (failing which, the Guarantor) fails to make the payment when due. Subject to the Conditions of the Perpetual Securities, the only remedy against the relevant Issuer and the Guarantor available to any holder of Perpetual Securities for recovery of amounts in respect of the Perpetual Securities and/or the

Guarantee of the Senior Perpetual Securities and/or the Guarantee of the Subordinated Perpetual Securities following the occurrence of a payment default after any sum becomes due in respect of the Perpetual Securities and/or the Guarantee of the Senior Perpetual Securities and/or the Guarantee of the Subordinated Perpetual Securities will be proving in such Winding-Up and/or claiming in the liquidation of the relevant Issuer and/or the Guarantor in respect of any payment obligations of the relevant Issuer and/or the Guarantor arising from the Perpetual Securities and/or the Guarantee of the Senior Perpetual Securities and/or the Guarantee of the Subordinated Perpetual Securities.

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

The Issuers 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 Issuers may issue or incur and which rank senior to, or *pari passu* with, the Perpetual Securities. Similarly, subject to compliance with the Conditions of the Perpetual Securities, the Issuers may redeem securities that rank junior to, *pari passu* with, or senior to the Perpetual 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 holders of Perpetual Securities on a Winding-Up of any relevant Issuer, and may increase the likelihood of a deferral of distribution under the Perpetual 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 Perpetual Securities and/or the ability of holders of Perpetual Securities to sell their Perpetual Securities.

The Subordinated Perpetual Securities and the Guarantee of the Subordinated Perpetual Securities are unsecured and subordinated obligations.

The obligations of each Issuer under the Subordinated Perpetual Securities, and of the Guarantor under the Guarantee of the Subordinated Perpetual Securities, will constitute unsecured and subordinated obligations of the relevant Issuer and the Guarantor, respectively. In the event of the Winding-Up of an Issuer or the Guarantor, the rights of the holders of Subordinated Perpetual Securities to receive payments in respect of the Subordinated Perpetual Securities will rank senior to the holders of all Junior Obligations and *pari passu* with the holders of all Parity Obligations, but junior to the claims of all other creditors, including, for the avoidance of doubt, the holders of any Senior Perpetual Securities and/or Notes. In the event of a shortfall of funds or a Winding-Up, there is a real risk that an investor in the Subordinated Perpetual Securities will lose all or some of its investment and will not receive a full return of the principal amount or any unpaid Arrears of Distribution, Additional Distribution Amounts or accrued Distribution.

In addition, subject to the limit on the aggregate principal amount of Securities that can be issued under the Programme (which can be amended from time to time by the relevant Issuer and the Guarantor without the consent of the Noteholders), there is no restriction on the amount of unsubordinated securities or other liabilities which the Issuers may issue or incur and which rank senior to, or *pari passu* with, the Subordinated Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by holders of Subordinated Perpetual Securities on a Winding-Up of any Issuer and/or the Guarantor and/or may increase the likelihood of a deferral of Distribution under the Subordinated Perpetual Securities. The holders of Perpetual Securities will not have recourse to any specific assets of the relevant Issuer, the Guarantor and/or the Group.

Tax treatment of the Perpetual Securities is unclear.

It is not clear whether any particular tranche of the Perpetual Securities (the **Relevant Tranche of the Perpetual Securities**) will be regarded as debt securities by the Inland Revenue Authority of Singapore (**IRAS**) 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 “*Taxation — Singapore Taxation*”) would apply to the Relevant Tranche of the Perpetual Securities.

If the Relevant Tranche of the Perpetual Securities is not regarded as debt securities for the purposes of the ITA and 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 Relevant Tranche of the Perpetual Securities should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of the Relevant Tranche of the Perpetual Securities.

A change in Singapore law governing the subordination provisions of the Perpetual Securities may adversely affect holders of Perpetual Securities.

The provisions of the Conditions of the Perpetual Securities that relate to subordination are governed by Singapore law. No assurance can be given as to the impact of any possible judicial decision or change to such laws or administrative practices after the date of issue of the relevant Perpetual Securities.

RISKS RELATING TO NOTES AND PERPETUAL SECURITIES DENOMINATED IN RENMINBI

Renminbi is not freely convertible; there are significant restrictions on remittance of Renminbi into and outside the People's Republic of China.

Renminbi is not freely convertible at present. The People's Republic of China (the **PRC**) government continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar, despite the significant reduction over the years by the PRC government of control over routine foreign exchange transactions under current accounts. Participating banks in Hong Kong have been permitted to engage in the settlement of Renminbi trade transactions under a pilot scheme introduced in July 2009. This represents a current account activity. The pilot scheme was extended in June 2010 to cover 20 provinces and cities in the PRC and to make Renminbi trade and other current account item settlement available in all countries worldwide. It was further extended in August 2011 to cover all provinces and cities in the PRC. The Renminbi trade settlements under the pilot scheme have become one of the most significant sources of Renminbi funding in Hong Kong.

On 12 October 2011, the Ministry of Commerce of the PRC (**MOFCOM**) promulgated the *Circular on Issues in relation to Cross-border Renminbi Foreign Direct Investment* (the **MOFCOM RMB FDI Circular**). Pursuant to the MOFCOM RMB FDI Circular, prior written consent from the appropriate office of MOFCOM and/or its local counterparts (depending on the size and the relevant industry of the investment) is required for Renminbi foreign direct investments (**RMB FDI**). The MOFCOM RMB FDI Circular also requires that the proceeds of RMB FDI may not be used for investment in securities, financial derivatives or entrustment loans in the PRC, except for investments in PRC domestic listed companies through private placements or share transfers by agreement. On 13 October 2011, *Measures on Administration of Renminbi Settlement in relation to Foreign Direct Investment* (the **PBOC RMB FDI Measures**) issued by the People's Bank of China (the **PBOC**) set out operating procedures for PRC banks to handle Renminbi settlement relating to RMB FDI and borrowing by foreign invested enterprises of offshore Renminbi loans. Prior to the PBOC RMB FDI Measures, cross-border Renminbi settlement for RMB FDI required approvals from the PBOC on a case-by-case basis. The new rules replace the PBOC approval requirement with a less onerous post-event registration and filing requirement. Under the new rules, foreign invested enterprises (whether established or acquired by foreign investors) need to (i) register their corporate information after the completion of a RMB FDI transaction, and (ii) make post-event registration or filing with the PBOC of any changes in registration information or in the event of increase or decrease of registered capital, equity transfer or replacement, merger or acquisition.

As the above measures and circulars are still relatively new, how they will be applied in practice still remain subject to the interpretation by the relevant PRC authorities.

There is no assurance that the PRC government will continue to gradually liberalise control over cross-border Renminbi remittances in the future or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that the relevant Issuer is not able to repatriate funds outside the PRC in Renminbi, the relevant Issuer will need to source Renminbi offshore to finance its obligations under the Notes or Perpetual Securities denominated in Renminbi (the **RMB Notes** and **RMB Perpetual Securities** respectively), and its ability to do so will be subject to the overall availability of Renminbi outside the PRC.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the RMB Notes or RMB Perpetual Securities and the relevant Issuer's or the Guarantor's ability to source Renminbi outside the PRC to service the Notes or Perpetual Securities or, as the case may be, the Guarantee in respect thereof.

As a result of the restrictions by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited. Since February 2004, in accordance with arrangements between the PRC central government and the Hong Kong government, licensed banks in Hong Kong may offer limited Renminbi-denominated banking services to Hong Kong residents and specified business customers. The PBOC, the central bank of the PRC, has also established a Renminbi clearing and settlement system for participating banks in Hong Kong. On 19 July 2010, further amendments were made to the Settlement Agreement on the Clearing of Renminbi Business (the **Settlement Agreement**) between the PBOC and Bank of China (Hong Kong) Limited (the **RMB Clearing Bank**) to further expand the scope of Renminbi business for participating banks in Hong Kong. Pursuant to the revised arrangements, all corporations are allowed to open Renminbi accounts in Hong Kong; there is no longer any limit (other than as provided in the following paragraph) on the ability of corporations to convert Renminbi; and there will no longer be any restriction on the transfer of Renminbi funds between different accounts in Hong Kong.

However, the current size of Renminbi-denominated financial assets outside the PRC is limited. As of September 2012, the total amount of Renminbi deposits held by institutions authorised to engage in Renminbi banking business amounted to approximately RMB545,701 million (source: Hong Kong Monetary Authority Monthly Statistical Bulletin). In addition, participating banks are also required by the Hong Kong Monetary Authority to maintain a Renminbi liquidity ratio at no less than 25.00% (computed on the same basis as the statutory liquidity ratio), which further limits the availability of Renminbi that participating banks can utilise for conversion services for their customers. Participating banks do not have direct Renminbi liquidity support from the PBOC. The RMB Clearing Bank only has access to onshore liquidity support from the PBOC to square open positions of participating banks for limited types of transactions, including open positions resulting from conversion services for corporations relating to cross-border trade settlement and for Hong Kong residents with accounts in Hong Kong of up to RMB20,000 per person per day. The RMB Clearing Bank is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services and the participating banks will need to source Renminbi from the offshore market to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Agreement will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi offshore. The limited availability of Renminbi outside the PRC may affect the liquidity of the RMB Notes or RMB Perpetual Securities. To the extent the Company is required to source Renminbi in the offshore market to service the RMB Notes or RMB Perpetual Securities, there is no assurance that the Company will be able to source such Renminbi on satisfactory terms, if at all.

Investment in RMB Notes or RMB Perpetual Securities is subject to exchange rate risks.

The value of the Renminbi against the Singapore dollar and other foreign currencies fluctuates and is affected by changes in the PRC, by international political and economic conditions and by many other factors. All payments of interest and principal or distributions will be made with respect to the RMB Notes or RMB Perpetual Securities in Renminbi. If an investor measures its investment returns by reference to a currency other than Renminbi, an investment in the RMB Notes or RMB Perpetual Securities entails foreign exchange related risks, including possible significant changes in the value of Renminbi relative to the currency by reference to which an investor measures its investment returns. Depreciation of the Renminbi against such currency could cause a decrease in the effective yield of the RMB Notes below their stated coupon rates and could result in a loss when the return on the RMB Notes is translated into such currency. In addition, there may be tax consequences for investors as a result of any foreign currency gains resulting from any investment in the RMB Notes.

Payments in respect of the RMB Notes or RMB Perpetual Securities will only be made to investors in the manner specified in the RMB Notes or RMB Perpetual Securities.

All payments to investors in respect of the RMB Notes or RMB Perpetual Securities will be made solely by (i) when the RMB Notes or RMB Perpetual Securities are represented by a Global Note or a Global Perpetual Security respectively, and held with the common depository for Euroclear and Clearstream, Luxembourg or any alternative clearing system, transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing Euroclear and Clearstream, Luxembourg rules and procedures, and (ii) transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations. The relevant Issuer cannot be required to make payment by any other means (including in any other currency or by transfer to a bank account in China).

DOCUMENTS INCORPORATED BY REFERENCE

The following documents (including those published or issued from time to time after the date hereof) shall be deemed to be incorporated in, and to form part of, this Offering Circular:

- (a) the most recently published audited financial statements of KLFS since the date of this Offering Circular and if published later, the most recently published unaudited interim financial statements of KLFS, if any;
- (b) the most recently published audited consolidated financial statements of KLL since the date of this Offering Circular and, if published later, the most recently published unaudited consolidated interim financial statements of KLL, if any; and
- (c) all supplements or amendments to this Offering Circular circulated by the Issuers and the Guarantor from time to time,

save that any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular.

Potential investors are cautioned that the audited consolidated financial statements of the Group for the respective years ended 31 December 2010 and 2011 presented in this Offering Circular have not been restated to include the effects of the Group's adoption of Amendments to FRS 12 *Deferred Tax: Recovery of Underlying Assets* that has become effective on 1 January 2012. The effects of the adoption on the consolidated financial information for 2010 and 2011 can be found in the Group's unaudited financial statements announcement for the nine months ended 30 September 2012. Furthermore, the unaudited consolidated interim financial information for the nine months ended 30 September 2011 and 2012 presented in this Offering Circular have been extracted from the Group's unaudited financial statements announcement for the nine months ended 30 September 2012, which have not been audited or reviewed by the Group's auditors. Accordingly, there can be no assurance that, had an audit or review been conducted in respect of such financial statements, the information presented therein would not have been materially different, and investors should not place undue reliance upon them.

The full version of KLL's annual reports and unaudited financial statements announcements published from time to time can be obtained from KLL's website at www.keppelland.com.sg.

The above website and any other websites referenced in this Offering Circular are intended as guides as to where other public information relating to the Issuers, the Guarantor and the Group may be obtained free of charge. Information appearing in such websites does not form part of this Offering Circular or any applicable Pricing Supplement and none of the Issuers, the Guarantor, the Arrangers and the Dealers accept any responsibility whatsoever that any information, if available, is accurate and/or up-to-date. Such information, if available, should not form the basis of any investment decision by an investor to purchase or deal in the Notes or Perpetual Securities.

Copies of all such documents which are so deemed to be incorporated in, and to form part of, this Offering Circular will be available free of charge during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the specified office of the Trustee set out at the end of this Offering Circular.

FORM OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons attached, or registered form, without coupons attached. Notes (whether in bearer or registered form) will be issued outside the United States in reliance on Regulation S under the Securities Act (**Regulation S**).

Bearer Notes

Each Tranche of Bearer Notes will be in bearer form and will be initially issued in the form of a temporary global note (a **Temporary Global Note**) or, if so specified in the applicable Pricing Supplement, a permanent global note (a **Permanent Global Note** and, together with the Temporary Global Note, each a **Bearer Global Note**) which will be delivered on or prior to the original issue date of the Tranche to (i) a common depository (the **Common Depository**) for, Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, société anonyme (**Clearstream, Luxembourg**), (ii) The Central Depository (Pte) Limited (**CDP**) or (iii) a sub-custodian for Hong Kong Monetary Authority (**HKMA**) as operator of the Central Moneymarkets Unit Service (the **CMU Service**).

Whilst any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Bearer Note Exchange Date (as defined below) will be made against presentation of the Temporary Global Note only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg, and/or CDP and/or the CMU Lodging and Paying Agent and (in the case of a Temporary Global Note delivered to a Common Depository for Euroclear and Clearstream, Luxembourg) Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the **Bearer Note Exchange Date**) which is 40 days after a Temporary Global Note is issued, interests in such Temporary Global Note may be exchanged (free of charge) upon notice being given as described therein either for (a) interests in a Permanent Global Note of the same Series or (b) definitive Bearer Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Pricing Supplement and subject, in the case of definitive Bearer Notes, to such notice period as is specified in the applicable Pricing Supplement), in each case against certification of beneficial ownership as described above unless such certification has already been given. The CMU Service may require that any such exchange for a Permanent Global Bearer Note is made in whole and not in part and in such event, no such exchange will be effected until all relevant account holders (as set out in a CMU Instrument Position Report or any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU Service) have so certified. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Bearer Note Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for definitive Bearer Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg or CDP against presentation or surrender (as the case may be) of the Permanent Global Note without any requirement for certification.

In respect of a Bearer Global Note held through the CMU Service, any payments of principal, interest (if any) or any other amounts shall be made to the person(s) for whose account(s) interests in the relevant Bearer Global Note are credited (as set out in a CMU Instrument Position Report or any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU Service) and, save in the case of final payment, no presentation of the relevant Bearer Global Note shall be required for such purpose.

The applicable Pricing Supplement will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, receipts, interest coupons and talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 10) has occurred and is continuing, (ii) (a) the relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg have or, in the case of Notes cleared through the CMU Service, the CMU Service has or, (b) in the case of Notes cleared through CDP, CDP has, been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or the relevant clearing system has announced an intention permanently to cease business or, other than in the case of Notes cleared through CDP, have in fact done so and, in the case of Notes not cleared through CDP, no successor clearing system satisfactory to the Trustee is available or, in the case of Notes cleared through CDP, no successor clearing system is available, (iii) in the case of Notes cleared through CDP, CDP has notified the relevant Issuer that it is unable or unwilling to act as depository for the Notes and to continue performing its duties set out in its terms and conditions for the provision of depository services and no alternative clearing system is available or (iv) in the case of Notes not cleared through CDP, the relevant Issuer has or will become subject to adverse tax consequences which would not be suffered were the Bearer Notes represented by the Permanent Global Note in definitive form and a certificate to such effect signed by one authorised signatory of the relevant Issuer is given to the Trustee. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, (a) in the case of Notes held by CDP or Euroclear and Clearstream, Luxembourg, CDP or Euroclear and/or Clearstream, Luxembourg, or as the case may be, the Common Depository acting on their behalf (acting on the instructions of any holder of an interest in such Permanent Global Note) or, (b) in the case of Notes held through a sub-custodian for the CMU Service, the relevant account holders therein, may give notice to the Principal Paying Agent, the CDP Paying Agent or, as the case may be, the CMU Lodging and Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iv) above, the relevant Issuer may also give notice to the Principal Paying Agent or the CMU Lodging and Paying Agent (as the case may be) requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent, the CDP Paying Agent or, as the case may be, the CMU Lodging and Paying Agent.

The following legend will appear on all Bearer Notes which have an original maturity of more than 365 days and on all receipts and interest coupons relating to such Notes:

“ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.”

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, receipts or interest coupons.

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg, CDP or the CMU Service, as the case may be.

The rights of the holders are set out in and subject to the provisions of the Trust Deed and the Conditions.

Direct Rights in respect of Bearer Global Notes cleared through CDP

If any Event of Default as provided in the Conditions has occurred and is continuing, the Trustee may state in a notice given to the CDP Paying Agent and the relevant Issuer (the **default notice**) that an Event of Default has occurred and is continuing.

Following the giving of the default notice, the holder of the Notes represented by the Bearer Global Note cleared through CDP may (subject as provided below) elect that direct rights (**Direct Rights**) under the provisions of the relevant CDP Deed of Covenant (as defined in the Conditions) shall come into effect in respect of a nominal amount of Notes up to the aggregate nominal amount in respect of which such default notice has been given. Such election shall be made by notice to the CDP Paying Agent and presentation of the Bearer Global Note to or to the order of the CDP Paying Agent for reduction of the nominal amount of Notes represented by the Bearer Global Note by such amount as may be stated in such notice and by endorsement of the appropriate schedule to the Bearer Global Note of the nominal amount of Notes in respect of which Direct Rights have arisen under the relevant CDP Deed of Covenant. Upon each such notice being given, the Bearer Global Note shall become void to the extent of the nominal amount stated in such notice, save to the extent that the appropriate Direct Rights shall fail to take effect. No such election may however be made on or before the Bearer Note Exchange Date unless the holder elects in such notice that the exchange for such Notes shall no longer take place.

Registered Notes

Each Tranche of Registered Notes will initially be represented by a global note in registered form (a **Registered Global Note** and, together with the Bearer Global Notes, each a **Global Note**). Registered Global Notes will be deposited with a common depositary for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg and/or deposited with a sub-custodian for the CMU Service (if applicable) and/or CDP or its nominee, as specified in the applicable Pricing Supplement. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 6.4 of the Notes) as the registered holder of the Registered Global Notes. None of the relevant Issuer, the Guarantor, the Trustee, any Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising, investigating, monitoring or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 6.4 of the Notes) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default has occurred and is continuing, (ii) (a) the relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg have or, in the case of Notes cleared through the CMU Service, the CMU Service has, or, (b) in the case of Notes cleared through CDP, CDP has, been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or, other than in the case of Notes cleared through CDP, have in fact done so and, in the case of Notes not

cleared through CDP, no successor or alternative clearing system satisfactory to the Trustee is available or, in the case of Notes cleared through CDP, no successor clearing system is available, (iii) in the case of Notes cleared through CDP, CDP has notified the relevant Issuer that it is unable or unwilling to act as depository for the Notes and to continue performing its duties set out in its terms and conditions for the provision of depository services and no alternative clearing system is available or (iv) in the case of Notes not cleared by CDP, the relevant Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Registered Global Notes in definitive form and a certificate to such effect signed by one authorised signatory of the Issuer is given to the Trustee. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, (a) in the case of Notes registered in the name of CDP or a nominee for CDP, or Euroclear and Clearstream, Luxembourg, CDP or Euroclear and/or Clearstream, Luxembourg, or as the case may be, a nominee for the Common Depository acting on their behalf (acting on the instructions of any holder of an interest in such Registered Global Note) and/or, (b) in the case of Notes held through a sub-custodian for the CMU Service, the relevant account holders therein, may give notice to the Registrar or the CMU Lodging and Paying Agent, as the case may be, requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iv) above, the relevant Issuer may also give notice to the Registrar or the CMU Lodging and Paying Agent (as the case may be) requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar, the CDP Paying Agent or the CMU Lodging and Paying Agent, as the case may be (the last date for such exchange, the **Registered Note Exchange Date**).

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear, Clearstream, Luxembourg, CDP and the CMU Service, in each case to the extent applicable.

Direct Rights in respect of Global Registered Notes cleared through CDP

If any Event of Default as provided in the Conditions has occurred and is continuing, the Trustee may state in a default notice given to the CDP Paying Agent and the relevant Issuer that an Event of Default has occurred and is continuing.

Following the giving of the default notice, the holder of the Notes represented by the Global Registered Note cleared through CDP may (subject as provided below) elect that Direct Rights under the provisions of the relevant CDP Deed of Covenant shall come into effect in respect of a nominal amount of Notes up to the aggregate nominal amount in respect of which such default notice has been given. Such election shall be made by notice to the CDP Paying Agent and presentation of the Global Registered Note to or to the order of the CDP Paying Agent for reduction of the nominal amount of Notes represented by the Global Registered Note by such amount as may be stated in such notice and by entry by or on behalf of the Registrar in the Register of the nominal amount of Notes in respect of which Direct Rights have arisen under the relevant CDP Deed of Covenant. Upon each such notice being given, the Global Registered Note shall become void to the extent of the nominal amount stated in such notice, save to the extent that the appropriate Direct Rights shall fail to take effect. No such election may however be made on or before the Registered Note Exchange Date unless the holder elects in such notice that the exchange for such Notes shall no longer take place.

General

Pursuant to the Agency Agreement, the Principal Paying Agent, the CDP Paying Agent or, as the case may be, the CMU Lodging and Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code and ISIN and where applicable,

a CMU instrument number which are different from the common code, ISIN and CMU instrument number assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg or the CMU Service or CDP, each person (other than Euroclear and/or Clearstream, Luxembourg or the CMU Service or CDP or its nominee) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg or the CMU Service or CDP as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear and/or Clearstream, Luxembourg or the CMU Service or CDP as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save, in the case of Notes not cleared through CDP, for manifest error) shall be treated by the relevant Issuer, the Guarantor, the Trustee, the Registrar (in the case of Global Registered Notes) and all other agents of the relevant Issuer as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest and, in the case of Notes cleared through CDP, premium redemption, purchase and/or any other amounts which accrue or are otherwise payable by the relevant Issuer through CDP, on such nominal amount of such Notes, for which purposes the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the relevant Issuer, the Guarantor, the Trustee and their agents as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly. Notwithstanding the above, if a Note (whether in global or definitive form) is held through the CMU Service, any payment that is made in respect of such Note shall be made at the direction of the bearer or the registered holder to the person(s) for whose account(s) interests in such Note are credited as being held through the CMU Service in accordance with the CMU Rules (as defined in the Agency Agreement) at the relevant time as notified to the CMU Lodging and Paying Agent by the CMU Service in a relevant CMU Instrument Position Report or any other relevant notification by the CMU Service (which notification, in either case, shall be conclusive evidence of the records of the CMU Service as to the identity of any accountholder and the principal amount of any Note credited to its account, save in the case of manifest error) and such payments shall discharge the obligation of the relevant Issuer in respect of that payment under such Note.

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or CDP and/or the CMU Service shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

No Noteholder, Receiptholder or Couponholder shall be entitled to proceed directly against the relevant Issuer or the Guarantor unless the Trustee, having become bound so to proceed, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing.

FORM OF THE PERPETUAL SECURITIES

The Perpetual Securities of each Series will be in either bearer form, with or without distribution coupons attached, or registered form, without coupons attached. Perpetual Securities (whether in bearer or registered form) will be issued outside the United States in reliance on Regulation S under the Securities Act (**Regulation S**).

Bearer Perpetual Securities

Each Tranche of Bearer Perpetual Securities will be in bearer form and will be initially issued in the form of a temporary global perpetual security (a **Temporary Global Perpetual Security**) or, if so specified in the applicable Pricing Supplement, a permanent global perpetual security (a **Permanent Global Perpetual Security**) and, together with the Temporary Global Perpetual Security, each a **Bearer Global Perpetual Security**) which will be delivered on or prior to the original issue date of the Tranche to (i) a Common Depository for, Euroclear and Clearstream, Luxembourg, (ii) CDP or (iii) the CMU Service.

Whilst any Perpetual Security is represented by a Temporary Global Perpetual Security, payments of principal, distributions (if any) and any other amount payable in respect of the Perpetual Securities due prior to the Bearer Perpetual Security Exchange Date (as defined below) will be made against presentation of the Temporary Global Perpetual Security only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Perpetual Security are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg, and/or CDP and/or the CMU Lodging and Paying Agent and (in the case of a Temporary Global Perpetual Security delivered to a Common Depository for Euroclear and Clearstream, Luxembourg), Euroclear and/or Clearstream, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the **Bearer Perpetual Security Exchange Date**) which is 40 days after a Temporary Global Perpetual Security is issued, interests in such Temporary Global Perpetual Security may be exchanged (free of charge) upon notice being given as described therein either for (a) interests in a Permanent Global Perpetual Security of the same Series or (b) for definitive Bearer Perpetual Securities of the same Series with, where applicable, distribution coupons and talons attached (as indicated in the applicable Pricing Supplement and subject, in the case of definitive Bearer Perpetual Securities, to such notice period as is specified in the applicable Pricing Supplement), in each case against certification of beneficial ownership as described above unless such certification has already been given. The CMU Service may require that any such exchange for a Permanent Global Bearer Perpetual Security is made in whole and not in part and in such event, no such exchange will be effected until all relevant account holders (as set out in a CMU Instrument Position Report or any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU Service) have so certified. The holder of a Temporary Global Perpetual Security will not be entitled to collect any payment of distributions, principal or other amount due on or after the Bearer Perpetual Security Exchange Date unless, upon due certification, exchange of the Temporary Global Perpetual Security for an interest in a Permanent Global Perpetual Security or for definitive Bearer Perpetual Securities is improperly withheld or refused.

Payments of principal, distributions (if any) or any other amounts on a Permanent Global Perpetual Security will be made through Euroclear and/or Clearstream, Luxembourg or CDP against presentation or surrender (as the case may be) of the Permanent Global Perpetual Security without any requirement for certification.

In respect of a Bearer Global Perpetual Security held through the CMU Service, any payments of principal, distributions (if any) or any other amounts shall be made to the person(s) for whose account(s) interests in the relevant Bearer Global Perpetual Security are credited (as set out in a

CMU Instrument Position Report or any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU Service) and, save in the case of final payment, no presentation of the relevant Bearer Global Perpetual Security shall be required for such purpose.

The applicable Pricing Supplement will specify that a Permanent Global Perpetual Security will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Perpetual Securities with, where applicable, distribution coupons and talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Enforcement Event (as defined in Condition 9(b) of the Perpetual Securities) has occurred and is continuing, (ii) (a) the relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg have or, (b) in the case of Perpetual Securities cleared through the CMU Service, the CMU Service has, or, in the case of Perpetual Securities cleared through CDP, CDP has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or the relevant clearing system has announced an intention permanently to cease business or, other than in the case of Perpetual Securities cleared through CDP, have in fact done so and, in the case of Perpetual Securities not cleared through CDP, no successor clearing system satisfactory to the Trustee is available or, in the case of Perpetual Securities cleared through CDP, no successor clearing system is available, (iii) in the case of Perpetual Securities cleared through CDP, CDP has notified the relevant Issuer that it is unable or unwilling to act as depository for the Perpetual Securities and to continue performing its duties set out in its terms and conditions for the provision of depository services and no alternative clearing system is available or (iv) in the case of Perpetual Securities not cleared through CDP, the relevant Issuer has or will become subject to adverse tax consequences which would not be suffered were the Bearer Perpetual Securities represented by the Permanent Global Perpetual Security in definitive form and a certificate to such effect signed by one authorised signatory of the relevant Issuer is given to the Trustee. The relevant Issuer will promptly give notice to Securityholders in accordance with Condition 13 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, (a) in the case of Perpetual Securities held by CDP or Euroclear and Clearstream, Luxembourg, CDP or Euroclear and/or Clearstream, Luxembourg, or as the case may be, the Common Depository acting on their behalf (acting on the instructions of any holder of an interest in such Permanent Global Perpetual Security) or, (b) in the case of Perpetual Securities held through a sub-custodian for the CMU Service, the relevant account holders therein, may give notice to the Principal Paying Agent, the CDP Paying Agent or, as the case may be, the CMU Lodging and Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iv) above, the relevant Issuer may also give notice to the Principal Paying Agent or the CMU Lodging and Paying Agent (as the case may be) requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent, the CDP Paying Agent or, as the case may be, the CMU Lodging and Paying Agent.

The following legend will appear on all Bearer Perpetual Securities which have an original maturity of more than 365 days and on all distribution coupons relating to such Perpetual Securities:

“ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.”

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Perpetual Securities or distribution coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Perpetual Securities or distribution coupons.

Perpetual Securities which are represented by a Bearer Global Perpetual Security will only be transferable in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg, CDP or the CMU Service, as the case may be.

The rights of the holders are set out in and subject to the provisions of the Trust Deed and the Conditions.

Direct Rights in respect of Bearer Global Perpetual Securities cleared through CDP

If any Enforcement Event as provided in the Conditions has occurred and is continuing, the Trustee may state in a notice given to the CDP Paying Agent and the relevant Issuer (the enforcement notice) that an Enforcement Event has occurred and is continuing.

Following the giving of the default notice, the holder of the Perpetual Securities represented by the Bearer Global Perpetual Security cleared through CDP may (subject as provided below) elect that direct rights (**Direct Rights**) under the provisions of the relevant CDP Deed of Covenant (as defined in the Conditions) shall come into effect in respect of a nominal amount of Perpetual Securities up to the aggregate nominal amount in respect of which such default notice has been given. Such election shall be made by notice to the CDP Paying Agent and presentation of the Bearer Global Perpetual Security to or to the order of the CDP Paying Agent for reduction of the nominal amount of Perpetual Securities represented by the Bearer Global Perpetual Security by such amount as may be stated in such notice and by endorsement of the appropriate schedule to the Bearer Global Perpetual Security of the nominal amount of Perpetual Securities in respect of which Direct Rights have arisen under the relevant CDP Deed of Covenant. Upon each such notice being given, the Bearer Global Perpetual Security shall become void to the extent of the nominal amount stated in such notice, save to the extent that the appropriate Direct Rights shall fail to take effect. No such election may however be made on or before the Exchange Date unless the holder elects in such notice that the exchange for such Perpetual Securities shall no longer take place.

Registered Perpetual Securities

Each Tranche of Registered Perpetual Securities will initially be represented by a global perpetual security in registered form (a **Registered Global Perpetual Security** and, together with the Bearer Global Perpetual Securities, each a **Global Perpetual Security**). Registered Global Perpetual Securities will be deposited with a common depository for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg and/or deposited with a sub-custodian for the CMU Service (if applicable) and/or CDP or its nominee, as specified in the applicable Pricing Supplement. Persons holding beneficial interests in Registered Global Perpetual Securities will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Perpetual Securities in fully registered form.

Payments of principal, distributions and any other amount in respect of the Registered Global Perpetual Securities will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 6.4 of the Perpetual Securities) as the registered holder of the Registered Global Perpetual Securities. None of the relevant Issuer, the Guarantor, the Trustee, any Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Perpetual Securities or for maintaining, supervising, investigating, monitoring or reviewing any records relating to such beneficial ownership interests.

Payments of principal, distributions or any other amount in respect of the Registered Perpetual Securities in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 6.4 of the Perpetual Securities) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Perpetual Security will be exchangeable (free of charge), in whole but not in part, for definitive Registered Perpetual Securities without distribution coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event**

means that (i) an Enforcement Event has occurred and is continuing, (ii) (a) the relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg have or, in the case of Perpetual Securities cleared through the CMU Service, the CMU Service has, or, (b) in the case of Perpetual Securities cleared through CDP, CDP has, been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or, other than in the case of Perpetual Securities cleared through CDP, have in fact done so and, in the case of Perpetual Securities not cleared through CDP, no successor or alternative clearing system satisfactory to the Trustee is available or, in the case of Perpetual Securities cleared through CDP, no successor clearing system is available, (iii) in the case of Perpetual Securities cleared through CDP, CDP has notified the relevant Issuer that it is unable or unwilling to act as depository for the Perpetual Securities and to continue performing its duties set out in its terms and conditions for the provision of depository services and no alternative clearing system is available or (iv) in the case of Perpetual Securities not cleared through CDP, the relevant Issuer has or will become subject to adverse tax consequences which would not be suffered where the Perpetual Securities represented by the Registered Global Perpetual Securities in definitive form and a certificate to such effect signed by one authorised signatory of the Issuer is given to the Trustee. The relevant Issuer will promptly give notice to Securityholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, (a) in the case of Perpetual Securities registered in the name of CDP or a nominee for CDP, or Euroclear and Clearstream, Luxembourg, CDP or Euroclear and/or Clearstream, Luxembourg, or as the case may be, a nominee for the Common Depository acting on their behalf (acting on the instructions of any holder of an interest in such Registered Global Perpetual Security) and/or, (b) in the case of Perpetual Securities held through a sub-custodian for the CMU Service, the relevant account holders therein, may give notice to the Registrar, the CDP Paying Agent or the CMU Lodging and Paying Agent, as the case may be, requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iv) above, the relevant Issuer may also give notice to the Registrar or the CMU Lodging and Paying Agent (as the case may be) requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar, the CDP Paying Agent or the CMU Lodging and Paying Agent, as the case may be (the last date for such exchange, the **Registered Perpetual Security Exchange Date**).

Interests in a Registered Global Perpetual Security may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Perpetual Security. No beneficial owner of an interest in a Registered Global Perpetual Security will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear, Clearstream, Luxembourg, CDP and the CMU Service, in each case to the extent applicable.

Direct Rights in respect of Global Registered Perpetual Securities cleared through CDP

If any Enforcement Event as provided in the Conditions has occurred and is continuing, the Trustee may state in a default notice given to the CDP Paying Agent and the relevant Issuer that an Enforcement Event has occurred and is continuing.

Following the giving of the default notice, the holder of the Perpetual Securities represented by the Global Registered Perpetual Security cleared through CDP may (subject as provided below) elect that Direct Rights under the provisions of the relevant CDP Deed of Covenant shall come into effect in respect of a nominal amount of Perpetual Securities up to the aggregate nominal amount in respect of which such default notice has been given. Such election shall be made by notice to the CDP Paying Agent and presentation of the Global Registered Perpetual Security to or to the order of the CDP Paying Agent for reduction of the nominal amount of Perpetual Securities represented by the Global Registered Perpetual Security by such amount as may be stated in such notice and by entry by or on behalf of the Registrar in the Register of the nominal amount of Perpetual Securities in respect of which Direct Rights have arisen under the relevant CDP Deed of Covenant. Upon each such notice being given, the Global Registered Perpetual Security shall

become void to the extent of the nominal amount stated in such notice, save to the extent that the appropriate Direct Rights shall fail to take effect. No such election may however be made on or before the Exchange Date unless the holder elects in such notice that the exchange for such Perpetual Securities shall no longer take place.

General

Pursuant to the Agency Agreement, the Principal Paying Agent, the CDP Paying Agent or, as the case may be, the CMU Lodging and Paying Agent shall arrange that, where a further Tranche of Perpetual Securities is issued which is intended to form a single Series with an existing Tranche of Perpetual Securities, the Perpetual Securities of such further Tranche shall be assigned a common code and ISIN and where applicable, a CMU instrument number which are different from the common code, ISIN and CMU instrument number assigned to Perpetual Securities of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Perpetual Securities of such Tranche.

For so long as any of the Perpetual Securities is represented by a Global Perpetual Security held on behalf of Euroclear and/or Clearstream, Luxembourg or the CMU Service or CDP, each person (other than Euroclear and/or Clearstream, Luxembourg or the CMU Service or CDP or its nominee) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg or the CMU Service or CDP as the holder of a particular nominal amount of such Perpetual Securities (in which regard any certificate or other document issued by Euroclear and/or Clearstream, Luxembourg or the CMU Service or CDP as to the nominal amount of such Perpetual Securities standing to the account of any person shall be conclusive and binding for all purposes save, in the case of Perpetual Securities not cleared through CDP, for manifest error) shall be treated by the relevant Issuer, the Guarantor, the Trustee, the Registrar (in the case of Registered Perpetual Securities) and all other agents of the relevant Issuer as the holder of such nominal amount of such Perpetual Securities for all purposes other than with respect to the payment of principal or distributions and, in the case of Notes cleared through CDP, premium redemption, purchase and/or any other amounts which accrue or are otherwise payable by the relevant Issuer through CDP, on such nominal amount of such Perpetual Securities, for which purposes the bearer of the relevant Bearer Global Perpetual Security or the registered holder of the relevant Registered Global Perpetual Security shall be treated by the relevant Issuer, the Guarantor, the Trustee and their agents as the holder of such nominal amount of such Perpetual Securities in accordance with and subject to the terms of the relevant Global Perpetual Security and the expressions **Securityholder** and **holder of Perpetual Securities** and related expressions shall be construed accordingly. Notwithstanding the above, if a Perpetual Security (whether in global or definitive form) is held through the CMU Service, any payment that is made in respect of such Perpetual Security shall be made at the direction of the bearer or the registered holder to the person(s) for whose account(s) interests in such Perpetual Security are credited as being held through the CMU Service in accordance with the CMU Rules (as defined in the Agency Agreement) at the relevant time as notified to the CMU Lodging and Paying Agent by the CMU Service in a relevant CMU Instrument Position Report or any other relevant notification by the CMU Service (which notification, in either case, shall be conclusive evidence of the records of the CMU Service as to the identity of any accountholder and the principal amount of any Perpetual Security credited to its account, save in the case of manifest error) and such payments shall discharge the obligation of the relevant Issuer in respect of that payment under such Perpetual Security.

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or CDP and/or the CMU Service shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

No Securityholder or Couponholder shall be entitled to proceed directly against the relevant Issuer or the Guarantor unless the Trustee, having become bound so to proceed, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing.

APPLICABLE PRICING SUPPLEMENT FOR NOTES

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Notes issued under the Programme.

[Date]

[KEPPEL LAND FINANCIAL SERVICES PTE. LTD./KEPPEL LAND LIMITED]

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
[Guaranteed by KEPPEL LAND LIMITED]
under the U.S.\$3,000,000,000
Multicurrency Medium Term Note Programme**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated [date]. This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with the Offering Circular. Full information on the Issuer, [the Guarantor] and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Offering Circular dated [original date]. This document is the Pricing Supplement for the Notes described herein and must be read in conjunction with the Offering Circular dated [current date], save in respect of the Conditions which are extracted from the Offering Circular dated [original date] and are attached hereto. Full information on the Issuer, [the Guarantor] and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circulars dated [current date] and [original date].]

[The following language applies if the Notes are intended to be Qualifying Debt Securities for the purposes of the Income Tax Act, Chapter 134 of Singapore (the **ITA**).

Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the ITA, shall not apply if such person acquires such Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.]

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement.]

[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination [must/may need to] be £100,000 or its equivalent in any other currency.]

1. (a) Issuer: [Keppel Land Financial Services Pte. Ltd./Keppel Land Limited]
- (b) Guarantor: [Keppel Land Limited/Not Applicable]
2. (a) Series Number: []
- (b) Tranche Number: []
- (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)*
3. Specified Currency or Currencies: []
4. Aggregate Nominal Amount:
- (a) Series: []
- (b) Tranche: []
5. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)]
6. (a) Specified Denominations: []
- (N.B. In the case of Registered Notes, this means the minimum integral amount in which transfers can be made)*
- (Note — in the case of Bearer Notes, where multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed:*
- “[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].”*)
- (b) Calculation Amount: []
- (If only one Specified Denomination, insert the Specified Denomination.*
- If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
7. (a) Issue Date: []
- (b) Interest Commencement Date: [*specify/Issue Date/Not Applicable*]
- (N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*

8. Maturity Date: [Fixed rate — specify date/
Floating rate — Interest Payment Date falling
in or nearest to [specify month]]
9. Interest Basis: [[] per cent. Fixed Rate]
[[LIBOR/EURIBOR/SIBOR/SOR] +/- [] per
cent. Floating Rate]
[Zero Coupon]
[Index Linked Interest]
[Dual Currency Interest]
[specify other]
(further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]
[Index Linked Redemption]
[Dual Currency Redemption]
[Partly Paid]
[Instalment]
[specify other]
11. Change of Interest Basis or
Redemption/Payment Basis: [Specify details of any provision for change of
Notes into another Interest Basis or
Redemption/Payment Basis]
12. Put/Call Options: [Investor Put]
[Issuer Call]
[(further particulars specified below)]
13. (a) Status of the Notes: [Senior]
(b) Status of the Guarantee: [Senior/Not applicable]
(c) [Date [Board] approval for issuance
of Notes [and Guarantee] obtained: [] [and []], respectively]]
*(N.B. Only relevant where Board (or similar)
authorisation is required for the particular
tranche of Notes or related Guarantee)*
14. Listing: [SGX-ST/(specify)/None]
15. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. Fixed Rate Note Provisions [Applicable/Not Applicable]
*(If not applicable, delete the remaining
subparagraphs of this paragraph)*
- (a) Rate(s) of Interest: [] per cent. per annum [payable
[annually/semi-annually/quarterly/other
(specify)] in arrear]
*(If payable other than annually, consider
amending Condition 5)*
- (b) Interest Payment Date(s): [[] in each year up to and including the
Maturity Date]/[specify other]
*(N.B. This will need to be amended in the case
of long or short coupons)*

- (c) Fixed Coupon Amount(s): [] per Calculation Amount
(Applicable to Notes in definitive form.)
- (d) Broken Amount(s): [] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []
(Applicable to Notes in definitive form.)
- (e) Day Count Fraction: [30/360 or Actual/Actual (ICMA) or Actual/365 (Fixed) or [specify other]]
- (f) Determination Date(s): [] in each year
(Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)
- N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA)*
- (g) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/Give details]
17. Floating Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Specified Period(s)/Specified Interest Payment Dates: []
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]
- (c) Additional Business Centre(s): []
- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/specify other]
- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent): []
- (f) Screen Rate Determination:
- Reference Rate: []
(Either LIBOR, EURIBOR, SIBOR, SOR or other, although additional information is required if other — including fallback provisions in the Agency Agreement)

- Interest Determination []
Date(s): (Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling, Singapore dollar or euro LIBOR), first day of each Interest Period if Sterling LIBOR or Singapore dollar LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR or second business day prior to start of interest period if SIBOR or SOR)
 - Relevant Screen Page: []
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
 - Reference Banks: []
- (g) ISDA Determination:
- Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []
- (h) Margin(s): [+/-] [] per cent. per annum
- (i) Minimum Rate of Interest: [] per cent. per annum
- (j) Maximum Rate of Interest: [] per cent. per annum
- (k) Day Count Fraction: [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/365 (Sterling)
Actual/360
30/360
30E/360
30E/360 (ISDA)
Other]
(See Condition 5.2 for alternatives)
- (l) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: []
18. Zero Coupon Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Accrual Yield: [] per cent. per annum
 - (b) Reference Price: []

- (c) Any other formula/basis of determining amount payable: []
- (d) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Conditions 7.5(c) and 7.10 apply/specify other]
(Consider applicable day count fraction if not U.S. dollar denominated)
19. Index Linked Interest Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Index/Formula: [give or annex details]
- (b) Calculation Agent: [give name]
- (c) Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Calculation Agent): []
- (d) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: [need to include a description of market disruption or settlement disruption events and adjustment provisions]
- (e) Specified Period(s)/Specified Interest Payment Dates: []
- (f) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/specify other]
- (g) Additional Business Centre(s): []
- (h) Minimum Rate of Interest: [] per cent. per annum
- (i) Maximum Rate of Interest: [] per cent. per annum
- (j) Day Count Fraction: []
20. Dual Currency Interest Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Rate of Exchange/method of calculating Rate of Exchange: [give or annex details]
- (b) Party, if any, responsible for calculating the principal and/or interest due (if not the Principal Paying Agent): []
- (c) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [need to include a description of market disruption or settlement disruption events and adjustment provisions]

- (d) Person at whose option Specified Currency(ies) is/are payable: []

PROVISIONS RELATING TO REDEMPTION

21. Issuer Call: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)

- (a) Optional Redemption Date(s): []
- (b) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[] per Calculation Amount/specify other/see Appendix]
- (c) If redeemable in part:
- (i) Minimum Redemption Amount: [] per Calculation Amount
- (ii) Maximum Redemption Amount: [] per Calculation Amount
- (d) Notice period (if other than as set out in the Conditions): []

(N.B. If setting notice periods which are different to those provided in the Conditions, the relevant Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the relevant Issuer and the Principal Paying Agent or Trustee)

22. Investor Put: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)

- (a) Optional Redemption Date(s): []
- (b) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[] per Calculation Amount/specify other/see Appendix]
- (c) Notice period (if other than as set out in the Conditions): []

(N.B. If setting notice periods which are different to those provided in the Conditions, the relevant Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the relevant Issuer and the Principal Paying Agent or Trustee)

23. Final Redemption Amount: [[] per Calculation Amount/specify other/see Appendix]
24. Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 7.5): [[] per Calculation Amount/specify other/see Appendix]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25. Form of Notes: [Bearer Notes:]
- [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event]
- [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]
- [Permanent Global Note exchangeable for Definitive Notes only upon an Exchange Event]
- [Registered Notes:
Regulation S Registered Global Note ([U.S.\$][] nominal amount) registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg]
- (Specified Denomination construction substantially to the following effect: “[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000].” is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)*
26. Governing Law of the Notes: [English/Singapore] Law
27. Additional Financial Centre(s) or other special provisions relating to Payment Days: [Not Applicable/give details]
(Note that this paragraph relates to the place of payment and not Interest Period end dates to which sub-paragraphs 17(c) and 19(g) relate)
28. Talons for future Coupons or Receipts to be attached to Definitive Bearer Notes (and dates on which such Talons mature): [Yes/No. If yes, give details] [Not Applicable]

29. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the relevant Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details. N.B. a new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues]
30. Details relating to Instalment Notes:
- (a) Instalment Amount(s): [Not Applicable/give details]
- (b) Instalment Date(s): [Not Applicable/give details]
31. Redenomination applicable, renominatisation and reconventioning provisions: [Not Applicable/The provisions [annexed to this Pricing Supplement] apply] [(If Redenomination is applicable, specify the applicable Day Count Fraction and any provisions necessary to deal with floating rate interest calculation (including alternative reference rates))]
32. Consolidation provisions: Consolidation [not] applicable [(If Consolidation is applicable, specify the applicable provisions)]
33. Other terms: [Not Applicable/give details]

DISTRIBUTION

34. (a) If syndicated, names of Managers: [Not Applicable/give names]
- (b) Date of Subscription Agreement: []
- (c) Stabilising Manager(s) (if any): [Not Applicable/give name]
35. If non-syndicated, name of relevant Dealer: [Not Applicable/give name]
36. U.S. Selling Restrictions: [Reg. S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable]
37. Additional selling restrictions: [Not Applicable/give details]

OPERATIONAL INFORMATION

38. ISIN Code: []
39. Common Code: []
(Insert here any other relevant codes such as a CMU instrument number)
40. Any clearing system(s) other than Euroclear Bank S.A./N.V., and Clearstream: [CDP/CMU Service/Give name(s) and number(s)]
41. Delivery: Delivery [against/free of] payment

42. Names and addresses of additional []
Paying Agent(s) (if any):

43. Registrar: [] *(include in respect of Registered Notes only)*

[LISTING APPLICATION

This Pricing Supplement comprises the final terms required for issue and admission to trading on [the Singapore Exchange Securities Trading Limited] of the Notes described herein pursuant to the U.S.\$3,000,000,000 Multicurrency Medium Term Note Programme of Keppel Land Financial Services Pte. Ltd. and Keppel Land Limited.]

RESPONSIBILITY

The Issuer [and the Guarantor] accept[s] responsibility for the information contained in this Pricing Supplement.

Signed on behalf of **[KEPPEL LAND FINANCIAL SERVICES PTE. LTD./KEPPEL LAND LIMITED]:**

By: _____
Duly authorised

[Signed on behalf of **KEPPEL LAND LIMITED:**

By: _____
Duly authorised]

APPLICABLE PRICING SUPPLEMENT FOR PERPETUAL SECURITIES

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Perpetual Securities issued under the Programme.

[Date]

**[KEPPEL LAND FINANCIAL SERVICES PTE. LTD./
KEPPEL LAND LIMITED]**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Perpetual Securities]
[Guaranteed by KEPPEL LAND LIMITED]
under the U.S.\$3,000,000,000
Multicurrency Medium Term Note Programme**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated [date]. This document constitutes the Pricing Supplement of the Perpetual Securities described herein and must be read in conjunction with the Offering Circular. Full information on the Issuer, [the Guarantor] and the offer of the Perpetual Securities is only available on the basis of the combination of this Pricing Supplement and the Offering Circular.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Perpetual Securities (the **Conditions**) set forth in the Offering Circular dated [original date]. This document is the Pricing Supplement for the Perpetual Securities described herein and must be read in conjunction with the Offering Circular dated [current date], save in respect of the Conditions which are extracted from the Offering Circular dated [original date] and are attached hereto. Full information on the Issuer, [the Guarantor] and the offer of the Perpetual Securities is only available on the basis of the combination of this Pricing Supplement and the Offering Circulars dated [current date] and [original date].]

[The following language applies if the Perpetual Securities are regarded as “debt securities” for the purpose of Section 43N(4) of the Income Tax Act, Chapter 134 of Singapore (the **ITA**) and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations and are thus intended to be Qualifying Debt Securities for the purposes of the ITA.]

Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Perpetual Securities by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the ITA, shall not apply if such person acquires such Perpetual Securities using the funds and profits of such person’s operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Perpetual Securities is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.]

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement.]

1. (a) Issuer: [Keppel Land Financial Services Pte. Ltd./Keppel Land Limited]
- (b) Guarantor: [Keppel Land Limited/Not applicable]
2. (a) Series Number: []
- (b) Tranche Number: []
- (If fungible with an existing Series, details of that Series, including the date on which the Perpetual Securities become fungible)*
3. Specified Currency or Currencies: []
4. Aggregate Nominal Amount:
- (a) Series: []
- (b) Tranche: []
5. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued distributions from [insert date] (if applicable)]
6. (a) Specified Denominations: []
- (N.B. In the case of Registered Perpetual Securities, this means the minimum integral amount in which transfers can be made)*
- (Note — in the case of Bearer Perpetual Securities, where multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed:*
- “[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Perpetual Securities in definitive form will be issued with a denomination above [€199,000].”)*
- (b) Calculation Amount: []
- (If only one Specified Denomination, insert the Specified Denomination.*
- If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
7. (a) Issue Date: []
- (b) Distribution Commencement Date: [specify/Issue Date/Not Applicable]
- (N.B. A Distribution Commencement Date will not be relevant for certain Perpetual Securities, for example Zero Coupon Perpetual Securities.)*

8. Distributions:
- (i) Distribution Rate: [] per cent. Fixed Rate]
 [[LIBOR/EURIBOR/SIBOR/SOR] +/- [] per cent. Floating Rate]
 [Zero Coupon]
 [Index Linked Distribution]
 [Dual Currency Distribution]
 [*specify other*]
 (further particulars specified below)
- (ii) Distribution Deferral: [Applicable/Not Applicable]
- (iii) Cumulative Deferral: [Applicable/Not Applicable]
- (iv) Non-Cumulative Deferral: [Applicable/Not Applicable]
- (v) Additional Distribution: [Applicable/Not Applicable]
- (vi) Dividend Pusher: [Applicable/Not Applicable]
- [Dividend Pusher periods] (N.B. If Dividend Pusher is applicable, to specify the period(s) during which a Compulsory Distribution Payment Event must not occur in order for the relevant Issuer to defer any distribution.)*
- [specify any other Compulsory Distribution Payment Events]*
- (vii) Dividend Stopper: [Applicable/Not Applicable]
9. Redemption/Payment Basis: [Redemption for Taxation Reasons]
 [Redemption for Accounting Reasons]
 [Redemption for Tax Deductibility Event]
 [Redemption at the Option of the Issuer]
 [Minimum Outstanding Amount Redemption Option]
10. Early Redemption Amount:
- (i) Early Redemption Amount(s) per Calculation Amount payable on redemption and/or the method of calculating the same: []
- (ii) Make Whole Amount: []
- (iii) Reference Rate: [LIBOR, EURIBOR, SIBOR, SOR or other]
11. Change of Redemption/Payment Basis: [*Specify details of any provision for convertibility of Perpetual Securities into another interest or redemption/payment basis*]

12. Call Option: [Applicable/Not Applicable]
(if not applicable, delete the remaining subparagraphs in this paragraph)
- (i) First Call Date: []
- (ii) Additional Call Dates: []
13. (a) Status of the Perpetual Securities: [Senior/Subordinated]
- (b) Status of the Guarantee: [Senior/Subordinated/Not applicable]
- (c) [Date [Board] approval for issuance of Perpetual Securities [and Guarantee] obtained: [] [and [], respectively]]
(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Perpetual Securities or related Guarantee)
14. Ranking of claims: [Not Applicable/give details on ranking of claims on Winding-Up]
15. Parity Obligations: [Not Applicable/give details]
16. Junior Obligations: [Not Applicable/give details]
17. Listing: [SGX-ST/(specify)/None]
18. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO DISTRIBUTIONS (IF ANY) PAYABLE

19. Fixed Rate Perpetual Security Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Distribution Rate: [] per cent. per annum [payable [annually/semi-annually/quarterly/other (specify)] in arrear]
(If payable other than annually, consider amending Condition 4)
- (b) Fixed Distribution Period: [period from (and including) a Distribution Payment Date to (but excluding) the next Distribution Payment Date]
- (c) Specified Distribution Payment Date(s): [[] in each year]/[specify other]
(N.B. This will need to be amended in the case of long or short coupons)
- (d) Fixed Coupon Amount(s): [] per Calculation Amount
(Applicable to Perpetual Securities in definitive form.)
- (e) Broken Amount(s): [] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []
(Applicable to Perpetual Securities in definitive form.)
- (f) Day Count Fraction: [30/360 or Actual/Actual (ICMA) or [specify other]]

- (g) Distribution Determination Date(s): [] in each year
(Insert regular distribution payment dates, ignoring issue date in the case of a long or short first or last coupon N.B. This will need to be amended in the case of regular distribution payment dates which are not of equal duration N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA))
- (h) Other terms relating to the method of calculating interest for Fixed Rate Perpetual Securities: [None/Give details]
20. Floating Rate Perpetual Security Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Distribution Period(s): []
- (b) Specified Distribution Payment Dates: []
- (c) Specified Period(s): [Not Applicable/Specify period after the preceding Distribution Payment Date which the next Distribution Payment Date falls]
- (d) Distribution Period Date: []
- (e) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]
- (f) Additional Business Centre(s): []
- (g) Manner in which the Distribution Rate(s) is/are to be determined: [Screen Rate Determination/ISDA Determination/specify other]
- (h) Party responsible for calculating the Distribution Rate(s) and Distribution Amount(s) (if not the Principal Paying Agent): []
- (i) Screen Rate Determination:
- Reference Rate: []
(Either LIBOR, EURIBOR, SIBOR, SOR or other, although additional information is required if other — including fallback provisions in the Agency Agreement)

- Distribution Determination []
Date(s): (Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling, Singapore dollar or euro LIBOR), first day of each Interest Period if Sterling LIBOR or Singapore dollar LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR or second business day prior to start of interest period if SIBOR or SOR)
 - Relevant Screen Page: []
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
 - Reference Banks: []
- (j) ISDA Determination:
- Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []
- (k) Margin(s): [+/-] [] per cent. per annum
- (l) Minimum Rate of Distribution: [] per cent. per annum
- (m) Maximum Rate of Distribution: [] per cent. per annum
- (n) Day Count Fraction: [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/365 (Sterling)
Actual/360
30/360
30E/360
30E/360 (ISDA)
Other]
(See Condition 4.2 for alternatives)
- (o) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Perpetual Securities, if different from those set out in the Conditions: []
21. Index Linked Distribution Perpetual Security Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Index/Formula: [give or annex details]
 - (b) Calculation Agent: [give name]

- (c) Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Calculation Agent): []
- (d) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: [*need to include a description of market disruption or settlement disruption events and adjustment provisions*]
- (e) Distribution Period(s): []
- (f) Specified Distribution Payment Dates: []
- (g) Specified Period(s): [Not Applicable/*Specify period after the preceding Distribution Payment Date which the next Distribution Payment Date falls*]
- (h) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/*specify other*]
- (i) Additional Business Centre(s): []
- (j) Minimum Rate of Distribution: [] per cent. per annum
- (k) Maximum Rate of Distribution: [] per cent. per annum
- (l) Day Count Fraction: []
22. Dual Currency Interest Perpetual Security Provisions [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Rate of Exchange/method of calculating Rate of Exchange: [*give or annex details*]
- (b) Party, if any, responsible for calculating the Distribution Rate(s) and Distribution Amount(s) (if not the Principal Paying Agent): []
- (c) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [*need to include a description of market disruption or settlement disruption events and adjustment provisions*]
- (d) Person at whose option Specified Currency(ies) is/are payable: []

GENERAL PROVISIONS APPLICABLE TO THE PERPETUAL SECURITIES

23. Form of Perpetual Securities: [Bearer Perpetual Securities:]
- [Temporary Global Perpetual Security exchangeable for a Permanent Global Perpetual Security which is exchangeable for Definitive Perpetual Securities only upon an Exchange Event]
- [Temporary Global Perpetual Security exchangeable for Definitive Perpetual Securities on and after the Exchange Date]
- [Permanent Global Perpetual Security exchangeable for Definitive Perpetual Securities only upon an Exchange Event]
- [Registered Perpetual Securities:Regulation S Registered Global Perpetual Security ([U.S.\$][] nominal amount) registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg/CDP/CMU Service]
- (Specified Denomination construction substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]." is not permitted in relation to any issue of Perpetual Securities which is to be represented on issue by a Temporary Global Perpetual Security exchangeable for Definitive Perpetual Securities.)*
24. Governing Law of Perpetual Securities: [English/Singapore] Law
- [In relation to Subordinated Perpetual Securities governed by English law, Condition 3(b) of the Subordinated Perpetual Securities will be governed by, and shall be construed in accordance with, Singapore law.]
25. Additional Financial Centre(s) or other special provisions relating to Payment Days: [Not Applicable/give details]
- (Note that this paragraph relates to the place of payment and not Interest Period end dates to which sub-paragraphs 20(f) and 21(i) relate)*
26. Talons for future Coupons to be attached to Definitive Perpetual Securities (and dates on which such Talons mature): [Yes. If yes, give details][Not Applicable]

27. Details relating to Partly Paid Perpetual Securities: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the relevant Issuer to forfeit the Perpetual Securities and interest due on late payment: [Not Applicable/give details. N.B. a new form of Temporary Global Perpetual Security and/or Permanent Global Perpetual Security may be required for Partly Paid issues]
28. Redenomination applicable, renominisation and reconventioning provisions: [Not Applicable/The provisions [annexed to this Pricing Supplement] apply] [(If Redenomination is applicable, specify the applicable Day Count Fraction and any provisions necessary to deal with floating rate interest calculation (including alternative reference rates))]
29. Consolidation provisions: Consolidation [not] applicable [(If Consolidation is applicable, specify the applicable provisions)]
30. Parity Obligations: [Insert definition]
31. Junior Obligations: [Insert definition]
32. Other terms: [Not Applicable/give details]

DISTRIBUTION

33. (a) If syndicated, names of Managers: [Not Applicable/give names]
 (b) Date of Subscription Agreement: []
 (c) Stabilising Manager(s) (if any): [Not Applicable/give name]
34. If non-syndicated, name of relevant Dealer: [Not Applicable/give name]
35. U.S. Selling Restrictions: [Reg. S Compliance Category 2]; TEFRA D/TEFRA C/TEFRA not applicable]
36. Additional selling restrictions: [Not Applicable/give details]

OPERATIONAL INFORMATION

37. ISIN Code: []
38. Common Code: []
- (Insert here any other relevant codes such as a CMU instrument number)
39. Any clearing system(s) other than Euroclear Bank S.A./N.V., and Clearstream: [CDP/CMU Service/Give name(s) and number(s)]
40. Delivery: Delivery [against/free of] payment
41. Names and addresses of additional Paying Agent(s) (if any): []

42. Registrar:

[] (include in respect of Registered Perpetual Securities only)

[LISTING APPLICATION

This Pricing Supplement comprises the final terms required for issue and admission to trading on [the Singapore Exchange Securities Trading Limited] of the Perpetual Securities described herein pursuant to the U.S.\$3,000,000,000 Multicurrency Medium Term Note Programme of Keppel Land Financial Services Pte. Ltd. and Keppel Land Limited.]

RESPONSIBILITY

The Issuer [and the Guarantor] accept[s] responsibility for the information contained in this Pricing Supplement.

Signed on behalf of **[KEPPEL LAND FINANCIAL SERVICES PTE. LTD./KEPPEL LAND LIMITED]:**

By: _____
Duly authorised

[Signed on behalf of **KEPPEL LAND LIMITED:**

By: _____
Duly authorised]

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below), each Definitive Bearer Note (as defined below) and each Definitive Registered Note (as defined below) but, in the case of Definitive Bearer Notes and Definitive Registered Notes, only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the relevant Issuer, the Guarantor and the relevant Dealer at the time of issue but, if not so permitted and agreed, such Definitive Bearer Note or Definitive Registered Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Pricing Supplement in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Pricing Supplement (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Form of the Notes" for a description of the content of Pricing Supplement which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by Keppel Land Limited (**KLL**) or Keppel Land Financial Services Pte. Ltd. (**KLFS** and, together with KLL, the **Issuers** and each an **Issuer**) (as specified in the applicable Pricing Supplement) constituted by a **Trust Deed**, which expression in these Terms and Conditions shall mean:

- (a) if the Notes are specified to be governed by English law in the applicable Pricing Supplement, an English law Trust Deed as modified and/or supplemented and/or restated from time to time dated 22 November 2012 made between the Issuers, Keppel Land Limited (the **Guarantor**) and HSBC Institutional Trust Services (Singapore) Limited (the **Trustee**, which expression shall include any successor as Trustee); or
- (b) if the Notes are specified to be governed by Singapore law in the applicable Pricing Supplement, a Singapore law Trust Deed as modified and/or supplemented and/or restated from time to time dated 22 November 2012 made between the Issuers, the Guarantor and the Trustee, which incorporates the provisions of the English law Trust Deed dated 22 November 2012 made between the Issuers, the Guarantor and the Trustee (subject to certain modifications and amendments required under Singapore law).

These Terms and Conditions (the **Conditions**) include summaries of, and are subject to, the detailed provisions of the Trust Deed.

References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

- (a) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;
- (b) any Global Note in bearer form (each a **Bearer Global Note**);
- (c) any Global Note in registered form (each a **Registered Global Note**);
- (d) any definitive Notes in bearer form (**Definitive Bearer Notes** and, together with Bearer Global Notes, the **Bearer Notes**) issued in exchange for a Global Note in bearer form; and
- (e) any definitive Notes in registered form (**Definitive Registered Notes** and, together with Registered Global Notes, the **Registered Notes**) (whether or not issued in exchange for a Global Note in registered form).

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 22 November 2012 and made between the Issuers, the Guarantor, the Trustee, The Hongkong and Shanghai Banking Corporation Limited as issuing principal paying agent (the **Principal Paying Agent**, which expression shall include any successor principal paying agent) and the other paying agents named therein (together with the Principal Paying Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents), The Hongkong and Shanghai Banking Corporation Limited as registrar (the **Registrar**, which expression shall include any successor registrar) and a transfer agent and the other transfer agents named therein (together with the Registrar, the **Transfer Agents**, which expression shall include any additional or successor transfer agents), The Hongkong and Shanghai Banking Corporation Limited as CMU lodging and paying agent (the **CMU Lodging and Paying Agent**, which expression shall include any successor CMU lodging and paying agent) and The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch as agent in Singapore solely for the purposes of and in connection with Notes cleared or to be cleared through The Central Depository (Pte) Limited (**CDP**) (the **CDP Paying Agent**, which expression shall include any successor agent in Singapore). The Principal Paying Agent, Paying Agents, Registrar, Transfer Agents, CMU Lodging and Paying Agent, CDP Paying Agent and calculation agent(s) for the time being (if any) are being together referred to as the **Agents**.

For the purposes of these Terms and Conditions (the **Conditions**), all references:

- (i) to the Principal Paying Agent shall:
 - (a) with respect to a Series of Notes to be held in the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority (the **CMU Service**), be deemed to be a reference to the CMU Lodging and Paying Agent; and
 - (b) with respect to a Series of Notes to be held in the computerised system operated by CDP, be deemed to be a reference to the CDP Paying Agent; and
- (ii) to the Issuer shall be to the relevant Issuer of the Notes as specified in the applicable Pricing Supplement,

and all such references shall be construed accordingly.

Interest bearing Definitive Bearer Notes have interest coupons (**Coupons**) and, if indicated in the applicable Pricing Supplement, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Notes repayable in instalments have receipts (**Receipts**) for the payment of the instalments of principal (other than the final instalment) attached on issue. Global Notes and Registered Notes do not have Receipts, Coupons or Talons attached on issue.

The final terms for this Note (or the relevant provisions thereof) are set out in the Pricing Supplement attached to or endorsed on this Note which supplement these Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note. References to the **applicable Pricing Supplement** are to the Pricing Supplement (or the relevant provisions thereof) attached to or endorsed on this Note.

The Trustee acts for the benefit of the holders for the time being of the Notes (the **Noteholders** or **holders** in relation to any Notes, which expression shall mean, in the case of Bearer Notes, the holders of the Notes and, in the case of Registered Notes, the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a Global Note, be construed as

provided in Condition 1 (*Form, Denomination and Title*) below) in accordance with the provisions of the Trust Deed. Any reference herein to **Receiptholders** shall mean the holders of the Receipts and any reference herein to **Couponholders** shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, (unless this is a Zero Coupon Note) Interest Commencement Dates and/or Issue Prices.

Where the Notes are cleared through CDP, the Noteholders, the Receiptholders and the Couponholders are entitled to the benefit of the CDP Deed of Covenant dated 22 November 2012 made by KLL or, as the case may be, the CDP Deed of Covenant dated 22 November 2012 made by KLFS.

Copies of the Trust Deed and the Agency Agreement are available for inspection during normal business hours at the specified office of the Trustee being at 21 Collyer Quay, #10-02 HSBC Building, Singapore 049320, and at the specified office of each of the Paying Agents. Copies of the applicable Pricing Supplement are available for viewing at the registered office of the Issuer and each of the Paying Agents provided that Noteholders must produce evidence satisfactory to the Issuer, the Trustee and the relevant Paying Agent (or in the case of Registered Notes) the Registrar as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed, the Agency Agreement and the applicable Pricing Supplement which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Agency Agreement.

Words and expressions defined in the Trust Deed, the Agency Agreement or used in the applicable Pricing Supplement shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the Agency Agreement, the Trust Deed will prevail and, in the event of inconsistency between the Trust Deed or the Agency Agreement and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

1. FORM, DENOMINATION AND TITLE

The Notes are issued either in bearer form or in registered form, as specified in the applicable Pricing Supplement and, in the case of Definitive Bearer Notes, serially numbered, in the Specified Currency and the Specified Denomination(s). Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and *vice versa*.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, a Dual Currency Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Pricing Supplement.

This Note may be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Pricing Supplement.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to the Bearer Notes, Receipts and Coupons will pass by delivery and title to the Registered Notes will pass on registration of transfers in accordance with the Agency Agreement. The Issuer, the Guarantor, the Paying Agents, the Transfer Agents (in the case of Registered Notes), the CMU Lodging and Paying Agent (if applicable), the CDP Paying Agent (if applicable), the Registrar (in the case of Registered Notes) and the Trustee will (except as otherwise required by law) deem and treat the bearer of any Bearer Note, Receipt or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking, société anonyme (**Clearstream, Luxembourg**), CDP, and/or a sub-custodian for the CMU Service, each person (other than Euroclear, Clearstream, Luxembourg, CDP or the CMU Service) who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg, CDP or the CMU Service as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg, CDP or the CMU Service as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of Notes not cleared through CDP, for manifest error) shall be treated by the Issuer, the Guarantor, the Paying Agents, the Transfer Agents (in the case of Registered Notes), the CMU Lodging and Paying Agent (if applicable), the CDP Paying Agent (if applicable), the Registrar (in the case of Registered Notes) and the Trustee and all other agents of the Issuer as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer, the Guarantor, the Paying Agents, the Transfer Agents (in the case of Registered Notes), the CMU Lodging and Paying Agent (if applicable), the CDP Paying Agent (if applicable), the Registrar (in the case of Registered Notes) and the Trustee and all other agents of the Issuer as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly. Notwithstanding the above, if a Note (whether in global or definitive form) is held through the CMU Service, any payment that is made in respect of such Note shall be made at the direction of the bearer or the registered holder to the person(s) for whose account(s) interests in such Note are credited as being held through the CMU Service in accordance with the CMU Rules (as defined in the Agency Agreement) at the relevant time as notified to the CMU Lodging and Paying Agent by the CMU Service in a relevant CMU Instrument Position Report (as defined in the CMU Rules) or any other relevant notification by the CMU Service (which notification, in either case, shall be conclusive evidence of the records of the CMU Service as to the identity of any accountholder and the principal amount of any Note credit to its account, save in the case of manifest error) (**CMU Accountholders**) and such payments shall discharge the obligation of the Issuer in respect of that payment under such Note. In determining whether a particular person is entitled to a particular nominal amount of Notes as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg, CDP and/or the CMU Service, as the case may be. References to Euroclear, Clearstream, Luxembourg, CDP and the CMU Service shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement or as may otherwise be approved by the Issuer, the Principal Paying Agent and the Trustee.

2. TRANSFER OF REGISTERED NOTES

2.1 Transfers of interests in Registered Global Notes

Transfers of beneficial interests in Registered Global Notes will be effected by Euroclear, Clearstream, Luxembourg, CDP or the CMU Service, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note only in the authorised denominations set out in the applicable Pricing Supplement and only in accordance with the rules and operating procedures for the time being of Euroclear, Clearstream, Luxembourg, CDP or the CMU Service, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement. Transfers of a Registered Global Note registered in the name of a nominee of a common depository for Euroclear, Clearstream, Luxembourg, CDP or the CMU Service shall be limited to transfers of such Registered Global Note, in whole but not in part, to another nominee of Euroclear, Clearstream, Luxembourg, CDP or the CMU Service (as the case may be) or to a successor of Euroclear, Clearstream, Luxembourg, CDP or the CMU Service (as the case may be) or such successor's nominee.

2.2 Transfers of Registered Notes in definitive form

Subject as provided in Condition 2.5 (*Closed periods*) below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Definitive Registered Note may be transferred in whole or in part (in the authorised denominations set out in the applicable Pricing Supplement). In order to effect any such transfer:

- (i) the holder or holders must:
 - (A) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing; and
 - (B) complete and deposit such other certifications as may be required by the relevant Transfer Agent; and
- (ii) the relevant Transfer Agent must be satisfied with the documents of title and the identity of the person making the request.

Any such transfer will be subject to such reasonable regulations as the Issuer, the Trustee and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 3 to the Agency Agreement). Subject as provided above, the relevant Transfer Agent will, within five business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar and the relevant Transfer Agent is located) of the relevant request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), deliver, or procure the delivery of, at its specified office, to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so delivered or (at the risk of the transferor) sent to the transferor.

2.3 Registration of transfer upon partial redemption

In the event of a partial redemption of Notes under Condition 7 (*Redemption and Purchase*), the Issuer shall not be required to register or procure registration of the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

2.4 Costs of registration

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

2.5 Closed periods

No Noteholder may require the transfer of a Registered Note to be registered during the period of (i) 15 days ending on (and including) the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days before (and including) any date on which Notes may be called for redemption by the Issuer pursuant to Condition 7.3 (*Redemption at the option of the Issuer (Issuer Call)*) and (iii) 15 days ending on (and including) any Payment Date.

2.6 Exchanges and transfers of Registered Notes generally

Holders of Definitive Registered Notes may exchange such Notes for interests in a Registered Global Note of the same type at any time.

3. STATUS OF THE NOTES AND THE GUARANTEE IN RESPECT OF THE NOTES

3.1 Status of the Notes

The Notes and any related Receipts and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4.1 (*Negative Pledge*)) unsecured obligations of the Issuer and rank *pari passu* and without any preference among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer from time to time outstanding.

3.2 Status of the Guarantee

The payment of principal and interest in respect of the Notes and all other moneys payable by the Issuer under or pursuant to the Trust Deed has been unconditionally and irrevocably guaranteed by the Guarantor in the Trust Deed (the **Guarantee**). The payment obligations of the Guarantor under the Guarantee are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4.1 (*Negative Pledge*)), unsecured obligations of the Guarantor and (save for certain obligations required to be preferred by law) rank equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor from time to time outstanding.

4. NEGATIVE PLEDGE AND COVENANTS

4.1 Negative Pledge

So long as any of the Notes remains outstanding neither the Issuer nor the Guarantor will create or permit to subsist, and the Guarantor will procure that no Principal Subsidiary (as defined below) will create or permit to subsist, any mortgage, charge, pledge, lien or other

form of encumbrance or security interest (**Security**) upon the whole or any part of its undertaking, assets or revenues, present or future, to secure any freely transferable securities (as defined below) issued by the Issuer, the Guarantor or any Subsidiary or to secure any guarantee of or indemnity of the Issuer, the Guarantor or any Subsidiary in respect of any freely transferable securities, unless, at the same time or prior to such Security being given, the obligations of the Issuer and the Guarantor under the Notes and the Trust Deed (a) are secured equally and rateably therewith, or (b) have the benefit of such other security, guarantee, indemnity or other arrangement as the Trustee in its absolute discretion shall deem to be not materially prejudicial to the interests of the Noteholders, or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

For the purposes of these Conditions, **freely transferable securities** means any present or future indebtedness in the form of, or represented by, bonds, debentures, notes or other debt securities which are for the time being, or are capable of being, quoted, listed, ordinarily dealt in or traded on any stock exchange or over the counter or other securities market, having an original maturity of more than 365 days from its date of issue.

Provided that nothing in this Condition 4:

- (a) shall prohibit or restrict the creation by the Issuer, the Guarantor or any Subsidiary of any Security upon (i) any property or assets acquired, purchased or owned or to be acquired, purchased or owned by the Issuer, the Guarantor or any Subsidiary, as the case may be, or (ii) any property or assets of any entity acquired, purchased or owned or to be acquired, purchased or owned by the Issuer, the Guarantor or any Subsidiary, as the case may be, for the purpose of securing the payment of any sum due in respect of freely transferable securities or any payment under any guarantee of, or indemnity or other like obligation relating to freely transferable securities, the proceeds of which are to be applied towards financing or refinancing the cost of the acquisition, purchase, development, construction, redevelopment and ownership of such property or assets (including, without limitation, the equipping, alteration or improvement of such property or assets following their redevelopment, development or construction); or
- (b) shall extend to any Security existing on (i) any property or asset of, or any interests in, any entity at the time the Issuer, the Guarantor or any Subsidiary acquires such entity after the Issue Date or (ii) any property or asset at the time it is acquired by the Issuer, the Guarantor or any Subsidiary after the Issue Date provided that, in the case of (i) and (ii) above, such Security was not created in anticipation of such entity, property or asset being acquired by the Issuer, the Guarantor or the relevant Subsidiary (as the case may be); or
- (c) shall extend to any Security of the Issuer, the Guarantor or any of its Subsidiaries existing as at the Issue Date.

Subsidiary or **Subsidiaries** has the meaning given to “subsidiary” in Section 5 of the Companies Act, Chapter 50 of Singapore.

For the avoidance of doubt, in the event that any real estate investment trust or other property trust funds whether or not established by the Issuer or its Subsidiaries prior to or after the Issue Date is regarded as a “Subsidiary”, the foregoing proviso in this Condition 4 shall similarly apply to such trust or trust fund.

For the purposes of the Conditions, **Principal Subsidiary** means any Subsidiary of the Guarantor (i) whose revenues, as shown by the latest audited accounts (consolidated in the case of a company which itself has subsidiaries) of such Subsidiary, are at least 30% of the consolidated revenues of the Guarantor as shown in the latest audited consolidated accounts of the Guarantor or (ii) whose total assets, as shown in the latest audited accounts (consolidated in the case of a company which itself has subsidiaries) of such Subsidiary are at least 30% of the consolidated total assets of the Guarantor as shown in the latest audited consolidated accounts of the Guarantor, including any such Subsidiary as may be acquired or formed by the Guarantor from time to time during the term of the Notes.

4.2 Shareholding Covenant

So long as any Notes remain outstanding, the Guarantor shall at all times retain a 100 per cent. direct and/or indirect shareholding interest in the entire issued share capital of KLFS.

5. INTEREST

5.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Pricing Supplement, amount to the Broken Amount so specified.

As used in the Conditions:

Fixed Interest Period means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Pricing Supplement, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (A) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding; and

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 5.1 (*Interest on Fixed Rate Notes*):

- (a) if “**Actual/Actual (ICMA)**” is specified in the applicable Pricing Supplement:
 - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; or
 - (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
 - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (b) if “**30/360**” is specified in the applicable Pricing Supplement, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360; and
- (c) if “**Actual/365 (Fixed)**” is specified in the applicable Pricing Supplement, the actual number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant Interest Payment Date divided by 365.

In the Conditions, the following expressions have the following meanings:

Determination Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

sub-unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

5.2 Interest on Floating Rate Notes and Index Linked Interest Notes

(a) Interest Payment Dates

Each Floating Rate Note and Index Linked Interest Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Pricing Supplement; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in the Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Pricing Supplement and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 5.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions, **Business Day** means a day which is both:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Singapore and each Additional Business Centre specified in the applicable Pricing Supplement; and

- (b) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (ii) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open.

(b) *Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate Notes and Index Linked Interest Notes will be determined in the manner specified in the applicable Pricing Supplement.

(i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any). For the purposes of this subparagraph (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent (as specified in the applicable Pricing Supplement) under an interest rate swap transaction if the Calculation Agent (as specified in the applicable Pricing Supplement) were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the **ISDA Definitions**) and under which:

- (A) the Floating Rate Option is as specified in the applicable Pricing Supplement;
- (B) the Designated Maturity is a period specified in the applicable Pricing Supplement; and
- (C) the relevant Reset Date is either (a) if the applicable Floating Rate Option is based on the London interbank offered rate (**LIBOR**) or on the Euro-zone interbank offered rate (**EURIBOR**), the first day of that Interest Period or (b) in any other case, as specified in the applicable Pricing Supplement.

For the purposes of this subparagraph (i), **Floating Rate**, **Calculation Agent**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Pricing Supplement the Minimum Rate of Interest shall be deemed to be zero.

(ii) Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as being LIBOR or EURIBOR

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation; or

(B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Pricing Supplement as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Pricing Supplement.

(iii) Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as being the Singapore dollar interbank offer rate (**SIBOR**) or the Singapore dollar swap offer rate (**SOR**):

(A) Each Floating Rate Note where the Reference Rate is specified as being SIBOR (in which case such Note will be a **SIBOR Note**) or SOR (in which case such Note will be a **Swap Rate Note**) bears interest at a floating rate determined by reference to SIBOR or, as the case may be, SOR as specified in the applicable Pricing Supplement.

(B) The Rate of Interest payable from time to time in respect of each Floating Rate Note under this Condition 5.2(b)(iii) will be determined by the Calculation Agent on the basis of the following provisions:

(i) in the case of Floating Rate Notes which are SIBOR Notes:

(aa) the Calculation Agent will, at or about the relevant time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period which appears on the Reuters Screen ABSIRFIX01 page under the caption "ASSOCIATION OF BANKS IN SINGAPORE — SIBOR AND SWAP OFFER RATES — RATES AT 11:00 A.M. SINGAPORE TIME" and the column headed "SGD SIBOR" (or such other Relevant Screen Page) plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any);

(bb) if no such rate appears on the Reuters Screen ABSIRFIX01 page (or such other replacement page thereof), the Calculation Agent will, at or about the relevant time on such Interest Determination Date,

determine the Rate of Interest for such Interest Period which shall be the rate which appears on Page ABSI on the monitor of the Bloomberg agency under the caption “ASSOCIATION OF BANKS IN SG — SWAP OFFER AND SIBOR FIXING RATES — RATES AT 11:00AM SINGAPORE TIME” and the column headed “SGD SIBOR” (or such other replacement page thereof), being the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period;

- (cc) if no such rate appears on Page ABSI on the monitor of the Bloomberg agency (or such other replacement page thereof or, if no rate appears, on such other Relevant Screen Page) or if Page ABSI on the monitor of the Bloomberg agency (or such other replacement page thereof or such other Relevant Screen Page) is unavailable for any reason, the Calculation Agent will request the Reference Banks to provide the Calculation Agent with the rate at which deposits in Singapore dollars are offered by it at approximately the relevant time on the Interest Determination Date to prime banks in the Singapore inter-bank market for a period equivalent to the duration of such Interest Period commencing on such Interest Payment Date in an amount comparable to the aggregate nominal amount of the relevant Floating Rate Notes. The Rate of Interest for such Interest Period shall be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of such offered quotations, plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any) as determined by the Calculation Agent;
- (dd) if on any Interest Determination Date two but not all the Reference Banks provide the Calculation Agent with such quotations, the Rate of Interest for the relevant Interest Period shall be determined in accordance with (cc) above on the basis of the quotations of those Reference Banks providing such quotations plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any); and
- (ee) if on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotations, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about the relevant time on such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate nominal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate or if on such Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotation, the rate per annum which the Calculation Agent determines to be arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the relevant time on such Interest Determination Date plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any).

(ii) in the case of Floating Rate Notes which are Swap Rate Notes:

- (aa) the Calculation Agent will, at or about the relevant time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the Average Swap Rate for such Interest Period (determined by the Calculation Agent as being the rate which appears on the Reuters Screen ABSIRFIX01 page under the caption "ASSOCIATION OF BANKS IN SINGAPORE — SIBOR AND SWAP OFFER RATES — RATES AT 11:00 A.M. SINGAPORE TIME" under the column headed "SGD SWAP OFFER" (or such other page as may replace Reuters Screen ABSIRFIX01 page for the purposes of displaying the swap rates of leading reference banks) at or about the relevant time on such Interest Determination Date and for a period equal to the duration of such Interest Period) plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any);
- (bb) if on any Interest Determination Date, no such rate is quoted on Reuters Screen ABSIRFIX01 page (or such other replacement page as aforesaid) or Reuters Screen ABSIRFIX01 page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will determine the Average Swap Rate (which shall be round up to the nearest 1/16 per cent.) for such Interest Period in accordance with the following formula:

In the case of Premium:

$$\begin{aligned} \text{Average Swap Rate} &= \frac{365}{360} \times \text{SIBOR} + \frac{(\text{Premium} \times 36500)}{(\text{T} \times \text{Spot Rate})} \\ &+ \frac{(\text{SIBOR} \times \text{Premium})}{(\text{Spot Rate})} \times \frac{365}{360} \end{aligned}$$

In the case of Discount:

$$\begin{aligned} \text{Average Swap Rate} &= \frac{365}{360} \times \text{SIBOR} - \frac{(\text{Discount} \times 36500)}{(\text{T} \times \text{Spot Rate})} \\ &- \frac{(\text{SIBOR} \times \text{Discount})}{(\text{Spot Rate})} \times \frac{365}{360} \end{aligned}$$

where:

SIBOR = the rate which appears on the Reuters Screen SIBOR page under the caption "SINGAPORE INTERBANK OFFER RATES (DOLLAR DEPOSITS) 11 A.M." and the row headed "SIBOR USD" (or such other page as may replace Reuters Screen SIBOR page for the purpose of displaying Singapore inter-bank U.S. dollar offered rates of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Dates for a period equal to the duration of the Interest Period concerned;

Spot Rate = the rate (determined by the Calculation Agent) being the composite quotation or, in the absence of

which, the arithmetic mean of the rates quoted by the Reference Banks and which appear under the caption "ASSOCIATION OF BANKS IN SINGAPORE — SGD SPOT AND SWAP OFFER RATES AT 11.00 A.M. SINGAPORE TIME" and the column headed "SPOT" on the Reuters Screen ABSIRFIX06 page (or such other page as may replace the Reuters Screen ABSIRFIX06 page for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the relevant time on the relevant Interest Determination Date for a period equal to the duration of the Interest Period concerned;

Premium or Discount = the rate (determined by the Calculation Agent) being the composite quotation or, in the absence of which, the swap point (expressed in Singapore dollar per U.S. dollar) quoted by the Reference Banks for a period equal to the duration of the Interest Period concerned which appear under the caption "ASSOCIATION OF BANKS IN SINGAPORE — SGD SPOT AND SWAP OFFER RATES AT 11.00 A.M. SINGAPORE TIME" on the Reuters Screen ABSIRFIX06-7 pages (or such other page as may replace the Reuters Screen ABSIRFIX06-7 pages for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Period concerned; and

T = the number of days in the Interest Period concerned.

The Rate of Interest for such Interest Period shall be the Average Swap Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any) (as determined by the Calculation Agent);

(cc) if on any Interest Determination Date any one of the components for the purposes of calculating the Average Swap Rate under (bb) above is not quoted on the relevant Reuters Screen page (or such other replacement page as aforesaid) or the relevant Reuters Screen page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of the Reference Banks to provide the Calculation Agent with quotations of their Swap Rates for the Interest Period concerned at or about the relevant time on that Interest Determination Date and the Rate of Interest for such Interest Period shall be the Average Swap Rate for such Interest Period (which shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the Swap Rates quoted by the Reference Banks to the Calculation Agent). The Swap Rate of a Reference Bank means the rate at which that Reference Bank can generate Singapore dollars for

the Interest Period concerned in the Singapore inter-bank market at or about the relevant time on the relevant Interest Determination Date and shall be determined by such Reference Bank as follows:

In the case of Premium:

$$\text{Swap Rate} = \frac{365}{360} \times \text{SIBOR} + \frac{(\text{Premium} \times 36500)}{(\text{T} \times \text{Spot Rate})} + \frac{(\text{SIBOR} \times \text{Premium})}{(\text{Spot Rate})} \times \frac{365}{360}$$

In the case of Discount:

$$\text{Swap Rate} = \frac{365}{360} \times \text{SIBOR} - \frac{(\text{Discount} \times 36500)}{(\text{T} \times \text{Spot Rate})} - \frac{(\text{SIBOR} \times \text{Discount})}{(\text{Spot Rate})} \times \frac{365}{360}$$

where:

SIBOR = the rate per annum at which U.S. dollar deposits for a period equal to the duration of the Interest Period concerned are being offered by that Reference Bank to prime banks in the Singapore inter-bank market at or about the relevant time on the relevant Interest Determination Date;

Spot Rate = the rate per annum at which U.S. dollar deposits for a period equal to the duration of the Interest Period concerned are being offered by that Reference Bank to prime banks in the Singapore inter-bank market at or about the relevant time on the relevant Interest Determination Date;

Premium = the premium that would have been paid by that Reference Bank in buying U.S. dollars forward in exchange for Singapore dollars on the last day of the Interest Period concerned in the Singapore inter-bank market;

Discount = the discount that would have been received by that Reference Bank in buying U.S. dollars forward in exchange for Singapore dollars on the last day of the Interest Period concerned in the Singapore inter-bank market; and

T = the number of days in the Interest Period concerned;

(dd) if on any Interest Determination Date two but not all of the Reference Banks provide the Calculation Agent with quotations of their Swap Rate(s), the Average Swap Rate shall be determined in accordance with (cc) above on the basis of the quotations of those Reference Banks providing such quotations; and

(ee) if on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with quotations of their Swap Rate(s), the Average Swap Rate shall be 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 quoted by the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about the relevant time on such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, in an amount equal to the aggregate nominal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate and the Rate of Interest for the relevant Interest Period shall be the Average Swap Rate (as so determined by the Calculation Agent), or if on such Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the relevant time on such Interest Determination Date plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any).

(C) On the last day of each Interest Period, the Issuer will pay interest on each Floating Rate Note to which such Interest Period relates at the Rate of Interest for such Interest Period.

(iv) If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Pricing Supplement as being other than LIBOR or EURIBOR or SIBOR or SOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Pricing Supplement

In the Conditions:

Reference Banks means, in the case of a determination of SIBOR or SOR, the principal Singapore offices of each of the three major banks in the Singapore interbank market, in each case selected by the Principal Paying Agent or as specified in the applicable Pricing Supplement;

Reference Rate means the rate specified in the applicable Pricing Supplement;

Relevant Screen Page means such page, section, caption, column or other part of a particular information service as may be specified in the applicable Pricing Supplement or such other page, section, caption, column or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate; and

relevant time means 11.00 a.m. (Singapore) time.

(c) *Minimum Rate of Interest and/or Maximum Rate of Interest*

If the applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 5.2(b) (*Rate of Interest*) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 5.2(b) *Rate of Interest*) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) *Determination of Rate of Interest and calculation of Interest Amounts*

The Calculation Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. The Calculation Agent will notify the Principal Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Calculation Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes or Index Linked Interest Notes for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes or Index Linked Interest Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (B) in the case of Floating Rate Notes or Index Linked Interest Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note or an Index Linked Interest Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 5.2 (*Interest on Floating Rate Notes and Index Linked Interest Notes*):

- (i) if “**Actual/Actual (ISDA)**” or “**Actual/Actual**” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if “**Actual/365 (Fixed)**” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365;
- (iii) if “**Actual/365 (Sterling)**” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if “**Actual/360**” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360;

- (v) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D₁” is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30; and

- (vi) if “**30E/360**” or “**Eurobond Basis**” is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D₁” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D₂ will be 30; and

- (vii) if “**30E/360 (ISDA)**” is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D₁” is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30.

(e) *Notification of Rate of Interest and Interest Amounts*

The Principal Paying Agent, the CDP Paying Agent or the CMU Lodging and Paying Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Trustee and (in the case of Notes listed on a stock exchange) the relevant stock exchange (subject to receiving the contact details of the relevant stock exchange from the Issuer) on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and notice thereof to be published in accordance with Condition 14 (*Notices*) as soon as practicable after their determination. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified by the Principal Paying Agent, the CDP Paying Agent or the CMU Lodging and Paying Agent to the Issuer, the Trustee and (in the case of Notes listed on a stock exchange) to each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 14 (*Notices*).

(f) *Determination or Calculation by Trustee*

If for any reason at any relevant time the Calculation Agent defaults in its obligation to determine the Rate of Interest or the Calculation Agent defaults in its obligation to calculate any Interest Amount in accordance with Condition 5.2(b)(i), Condition 5.2(b)(ii) or Condition 5.2(b)(iii) above (as the case may be) or as otherwise specified in the applicable Pricing Supplement, as the case may be, and in each case in accordance with Condition 5.2(d) above and no replacement Calculation Agent has been appointed by the Issuer within two

Business Days of the relevant Interest Payment Date, the Trustee shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Pricing Supplement), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Trustee shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Calculation Agent.

(g) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5.2 (*Interest on Floating Rate Notes and Index Linked Interest Notes*), whether by the Calculation Agent or the Trustee, shall (in the absence of wilful default or manifest error) be binding on the Issuer, the Guarantor, the Trustee, the Principal Paying Agent, the Transfer Agents (if applicable), the CMU Lodging and Paying Agent (if applicable), the CDP Paying Agent (if applicable), the Registrar (if applicable), the Calculation Agent (if applicable), the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default or manifest error) no liability to the Issuer, the Guarantor, the Noteholders, the Receiptholders or the Couponholders shall attach to the Calculation Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

5.3 Interest on Dual Currency Interest Notes

The rate or amount of interest payable in respect of Dual Currency Interest Notes shall be determined in the manner specified in the applicable Pricing Supplement.

5.4 Interest on Partly Paid Notes

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Pricing Supplement.

5.5 Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) as provided in the Trust Deed.

6. PAYMENTS

6.1 Method of payment

Subject as provided below:

- (a) payments in a Specified Currency other than euro and Renminbi will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively);

- (b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque; and
- (c) payments in Renminbi will be made by transfer to a Renminbi account maintained by or on behalf of the relevant Noteholder with a bank in Hong Kong.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*).

For the purpose of the Conditions, the term **Renminbi** means the lawful currency of the People's Republic of China.

6.2 Presentation of Definitive Bearer Notes, Receipts and Coupons

Payments of principal in respect of Definitive Bearer Notes other than Notes held in the CMU Service will (subject as provided below) be made in the manner provided in Condition 6.1 (*Method of payment*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Definitive Bearer Notes, and payments of interest in respect of Definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Payments of instalments of principal (if any) in respect of Definitive Bearer Notes other than Notes held in the CMU Service, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 6.1 (*Method of payment*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 6.1 (*Method of payment*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Definitive Bearer Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the Definitive Bearer Note to which it appertains. Receipts presented without the Definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any Definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive bearer form other than Notes held in the CMU Service (other than Dual Currency Notes, Index Linked Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 8 (*Taxation*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9 (*Prescription*)) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Dual Currency Note, Index Linked Note or Long Maturity Note in definitive bearer form other than Notes held in the CMU Service becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

In the case of Definitive Bearer Notes held in the CMU Service, payment will be made to the person(s) for whose account(s) interests in the relevant Definitive Bearer Note are credited as being held with the CMU Service in accordance with the CMU Rules at the relevant time as notified to the CMU Lodging and Paying Agent by the CMU Service in a relevant CMU Instrument Position Report or any relevant notification by the CMU Service, which notification shall be conclusive evidence of the records of the CMU Service (save in the case of manifest error) and payment made in accordance thereof shall discharge the obligations of the Issuer in respect of that payment.

If the due date for redemption of any Definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant Definitive Bearer Note.

6.3 Payments in respect of Bearer Global Notes

Payments of principal and interest (if any) in respect of Bearer Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to Definitive Bearer Notes or otherwise in the manner specified in the relevant Global Note (i) in the case of a Bearer Global Note not lodged with the CMU Service, against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States, or (ii) in the case of a Bearer Global Note lodged with the CMU Service, to the person(s) for whose account(s) interests in the relevant Bearer Global Notes are credited as being held by the CMU Service in accordance with the CMU Rules. A record of each payment made against presentation or surrender of any Bearer Global Note, distinguishing between any payment of principal and any payment of interest, will be made on such Bearer Global Note (in the case of a Bearer Global Note not lodged with the CMU Service) by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable or (in the case of a Bearer Global Note lodged with the CMU Service) on withdrawal of such Bearer Global Note by the CMU Lodging and Paying Agent.

6.4 Payments in respect of Registered Notes

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any Paying Agent. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the **Register**) (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear, Clearstream, Luxembourg, CDP or, as the case may be, the CMU Service, are open for business) before the relevant due date and (ii) where in definitive form, at the close

of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if (a) a holder does not have a Designated Account or (b) the principal amount of the Notes held by a holder is less than U.S.\$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, **Designated Account** means the account (which, in the case of a payment in Japanese yen to a non resident of Japan, shall be a non resident account) maintained by a holder with a Designated Bank and identified as such in the Register and **Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear, Clearstream, Luxembourg, CDP or, as the case may be, the CMU Service are open for business) before the relevant due date and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the **Record Date**) at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

In the case of Definitive Registered Note or Registered Global Note held through the CMU Service, payment will be made at the direction of the registered holder to the CMU Accountholders and such payment shall discharge the obligation of the Issuer in respect of that payment.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

None of the Issuer, the Guarantor, the Trustee or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

6.5 General provisions applicable to payments

The holder of a Global Note (if the Global Note is not lodged with the CMU Service) or (if the Global Note is lodged with the CMU Service) the person(s) for whose account(s) interests in such Global Note are credited as being held in the CMU Service in accordance

with the CMU Rules as notified to the CMU Lodging and Paying Agent by CMU Service in a relevant CMU Instrument Position Report or any other relevant notification by the CMU Service (which notification, in either case, shall be conclusive evidence of the records of the CMU Service save in the case of manifest error), shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer or, as the case may be, the Guarantor will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg, CDP or the CMU Service, as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear, Clearstream, Luxembourg, CDP or the CMU Lodging and Paying Agent, as the case may be, for his share of each payment so made by the Issuer or, as the case may be, the Guarantor to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer and the Guarantor, adverse tax consequences to the Issuer or the Guarantor.

6.6 Payment Day

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 9 (*Prescription*)) is:

- (a) in the case of Notes denominated in a Specified Currency other than Renminbi:
 - (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (A) in the case of Notes in definitive form only, the relevant place of presentation;
 - (B) each Additional Financial Centre specified in the applicable Pricing Supplement; and
 - (ii) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and

foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET2 System is open; and

- (b) in the case of Notes, Receipts or Coupons denominated in Renminbi, a day on which commercial banks and foreign exchange markets settle Renminbi payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in (i) the case of Notes in definitive form only, the relevant place of presentation and (ii) Hong Kong.

6.7 Delays in payment or non-payment in certain other circumstances

Notwithstanding Condition 10.1(a), in the event that:

- (a) the Issuer and/or the Guarantor shall have duly transferred or arranged for the transfer of funds to the Agents in accordance with the terms of the Agency Agreement sufficient for the purpose of payment in full to the holders of Notes, Receipts and/or Coupons of, or otherwise duly transferred or arranged for the transfer such funds to the Trustee in accordance with the terms of the Trust Deed in satisfaction of, all the amounts due and payable on the relevant due date for payment; and
- (b) the Agents or the Trustee, or their respective delegates intercept and investigate transactions on the Issuer's and/or the Guarantor's accounts including the source of the intended recipient of funds paid into or out of the Issuer's and/or the Guarantor's accounts, in order to comply with applicable law, regulation, requests of a public or regulatory authority or any internal group policy which relates to the prevention of fraud, money laundering, terrorism or other criminal activities or the provision of financial and other services to sanctioned persons or entities (the **Prohibited Activities**); and
- (b) such action causes a delay in the processing of the Issuer's and/or the Guarantor's instructions, the settlement of transactions over the Issuer's and/or the Guarantor's accounts or the Agents' or Trustee's performance of their respective obligations under the Agency Agreement and the Trust Deed, and
- (c) such action results in a delay in payment or non-payment by Issuer and/or the Guarantor of the amounts due on the due date for payment of the Notes, Receipts and/or Coupons,

such delay in payment or non-payment on the due date by Issuer and/or the Guarantor of such amounts due on the due date for payment shall not constitute a default in payment of any principal or interest, as the case may be, due by the Issuer and/or the Guarantor, and shall not entitle the holder thereof to further interest or other payment in respect of such delay in payment or non-payment on the due date for payment, unless a court of competent jurisdiction or relevant public or regulatory authority shall have determined that such funds transferred by the Issuer and/or the Guarantor do relate to the Prohibited Activities and in such event a default in payment shall be deemed to have occurred and interest shall accrue and be payable by the Issuer or the Guarantor, as the case may be, on the outstanding amounts due in accordance with the Conditions and the Trust Deed from the original due date for payment.

6.8 Interpretation of principal and interest

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 8 (*Taxation*) or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes;
- (e) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (f) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 7.5 (*Early Redemption Amounts*)); and
- (g) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8 (*Taxation*) or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

7. REDEMPTION AND PURCHASE

7.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note (including each Index Linked Redemption Note and Dual Currency Redemption Note) will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement in the relevant Specified Currency on the Maturity Date.

7.2 Redemption for tax reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is neither a Floating Rate Note, an Index Linked Interest Note nor a Dual Currency Interest Note) or on any Interest Payment Date (if this Note is either a Floating Rate Note, an Index Linked Interest Note or a Dual Currency Interest Note), on giving not less than 30 nor more than 60 days' notice to the Trustee and the Principal Paying Agent, the CDP Paying Agent or the CMU Lodging and Paying Agent, as the case may be, and, in accordance with Condition 14 (*Notices*), the Noteholders (which notice shall be irrevocable), if the Issuer satisfies the Trustee immediately before the giving of such notice that:

- (a) on the occasion of the next payment due under the Notes, the Issuer or (if the Guarantee was called) the Guarantor has or will become obliged to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) as a result of any change in, or amendment to, the laws, regulations, rulings or other administrative proceedings (including a decision by a court of competent jurisdiction) of a Tax Jurisdiction (as defined in Condition 8 (*Taxation*)) or any change in the application or official interpretation of such laws, regulations, rulings or other administrative proceedings (including a decision by a court of competent jurisdiction) which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and

- (b) such obligation cannot be avoided by the Issuer or, as the case may be, the Guarantor 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 or, as the case may be, the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Trustee a certificate signed by a Director of the Issuer or, as the case may be, a Director of the Guarantor 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 an opinion of independent tax or legal advisers of recognised standing to the effect that the Issuer or, as the case may be, the Guarantor has or will become obliged to pay such additional amounts as a result of such change or amendment and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders, the Receiptholders and the Couponholders.

Notes redeemed pursuant to this Condition 7.2 will be redeemed at their Early Redemption Amount referred to in Condition 7.5 (*Early Redemption Amounts*) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

7.3 Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified as being applicable in the applicable Pricing Supplement, the Issuer may, at its option, having given:

- (a) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 14 (*Notices*); and
- (b) not less than five Business Days before the giving of the notice referred to in (a) above, notice to the Trustee and to the Principal Paying Agent, the CDP Paying Agent or the CMU Lodging and Paying Agent, as the case may be, and, in the case of a redemption of Registered Notes, the Registrar;

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Pricing Supplement. In the case of a partial redemption of Definitive Bearer Notes or Definitive Registered Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot, in the case of Redeemed Notes represented by Definitive Bearer Notes or Definitive Registered Notes, and in accordance with the rules of Euroclear, Clearstream, Luxembourg, CDP and/or the CMU Service (as applicable), in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 (*Notices*) not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 7.3 (*Redemption at the option of the Issuer (Issuer Call)*) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 14 (*Notices*) at least five days prior to the Selection Date.

7.4 Redemption at the option of the Noteholders (Investor Put)

If Investor Put is specified as being applicable in the applicable Pricing Supplement, upon the holder of any Note giving to the Issuer in accordance with Condition 14 (*Notices*) not less than 15 nor more than 30 days' notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Pricing Supplement, such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. Registered Notes may be redeemed under this Condition 7.4 (*Redemption at the option of the Noteholders (Investor Put)*) in any multiple of their lowest Specified Denomination. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Pricing Supplement.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent (in the case of Definitive Bearer Notes) or the Registrar (in the case of Definitive Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar, falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a **Put Notice**) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2.2 (*Transfer of Registered Notes in definitive form*). If this Note is a Definitive Bearer Note, the Put Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. If this Note is represented by a Global Note or is in definitive form and held through Euroclear, Clearstream, Luxembourg, CDP or the CMU Service, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg, CDP or the CMU Service (which may include notice being given on his instruction by Euroclear, Clearstream, Luxembourg, CDP or the CMU Service or any common depository for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear, Clearstream, Luxembourg, CDP and the CMU Service from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Principal Paying Agent for notation accordingly.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg, CDP or the CMU Service given by a holder of any Note pursuant to this Condition 7.4 (*Redemption at the option of the Noteholders (Investor Put)*) shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and the Trustee has declared the Notes to be due and payable pursuant to Condition 10 (*Events of Default*), in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 7.4 (*Redemption at the option of the Noteholders (Investor Put)*).

7.5 Early Redemption Amounts

For the purpose of Condition 7.2 (*Redemption for tax reasons*) above and Condition 10 (*Events of Default*), each Note will be redeemed at its Early Redemption Amount calculated as follows:

- (a) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (b) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note and a Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in, or determined in the manner specified in, the applicable Pricing Supplement or, if no such amount or manner is so specified in the applicable Pricing Supplement, at its nominal amount; or
- (c) in the case of a Zero Coupon Note, at an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

y is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360,

or on such other calculation basis as may be specified in the applicable Pricing Supplement.

7.6 Instalments

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 7.5 (*Early Redemption Amounts*).

7.7 Partly Paid Notes

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Pricing Supplement.

7.8 Purchases

The Issuer, the Guarantor or any Subsidiary of the Issuer or the Guarantor may at any time purchase Notes (provided that, in the case of Definitive Bearer Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) in any manner and at any price in the open market or otherwise. All Notes so purchased may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) for cancellation.

7.9 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 7.8 (*Purchases*) above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold. Subject as provided in Condition 9 (*Prescription*), the obligations of the Issuer and the Guarantor in respect of such cancelled Notes shall be discharged.

7.10 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 7.1 (*Redemption at maturity*), 7.2 (*Redemption for tax reasons*), 7.3 (*Redemption at the option of the Issuer (Issuer Call)*) or 7.4 (*Redemption at the option of the Noteholders (Investor Put)*) above or upon its becoming due and repayable as provided in Condition 10 (*Events of Default*) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 7.5(c) (*Early Redemption Amounts*) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Principal Paying Agent or the Registrar or the Trustee and notice to that effect has been given to the Noteholders in accordance with Condition 14 (*Notices*).

8. TAXATION

All payments of principal and interest in respect of the Notes, Receipts and Coupons by the Issuer or the Guarantor will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer or, as the case may be, the Guarantor will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (a) presented for payment in any Tax Jurisdiction; or
- (b) the holder of which is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note, Receipt or Coupon or by the receipt of amounts in respect of such Note, Receipt or Coupon or where the withholding or deduction could be avoided by the holder making a declaration of non-residence or other similar claim for exemption to the appropriate authority which such holder is legally capable and competent of making but fails to do so; or
- (c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6.6 (*Payment Day*)); or

- (d) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (e) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union.

As used herein:

- (i) **Tax Jurisdiction** means Singapore or any political subdivision or any authority thereof or therein having power to tax; and
- (ii) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Trustee or the Principal Paying Agent or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14 (*Notices*).

9. PRESCRIPTION

The Notes, Receipts and Coupons will become void unless claims in respect of principal and/or interest are made within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8 (*Taxation*), therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6.2 (*Presentation of Definitive Bearer Notes, Receipts and Coupons*) or any Talon which would be void pursuant to Condition 6.2 (*Presentation of Definitive Bearer Notes, Receipts and Coupons*).

10. EVENTS OF DEFAULT

10.1 Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction), give notice in writing to the Issuer that each Note is, and each Note shall thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the Trust Deed if any of the following events (each an **Event of Default**) shall occur:

- (a) subject to Condition 6.7, default is made in the payment of any principal or any interest on any of the Notes when due, and such default continues for a period of seven days in the case of principal and 14 days in the case of interest;
- (b) the Issuer or the Guarantor defaults in the performance or observance of or compliance with any one or more of its obligations (other than the payment obligation referred to in paragraph (a) above under any of the Notes or the Trust Deed and, if in the reasonable opinion of the Trustee, that default is capable of remedy, it is not, in the opinion of the Trustee, remedied within 30 days after written notice of such default has been given to the Issuer and the Guarantor by the Trustee;

- (c) (i) any other present or future indebtedness of the Issuer, the Guarantor or any Principal Subsidiary for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any actual or potential default or event of default (howsoever described), (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (iii) the Issuer, the Guarantor or any Principal Subsidiary fails to pay when due, within any applicable grace period, any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (c) has occurred equals or exceeds S\$25,000,000 or its equivalent (as reasonably determined on the basis of the middle spot rate for the relevant currency against the Singapore dollar as quoted by any leading bank selected by the Issuer on the day on which such indebtedness becomes due and payable or is not paid or any such amount becomes due and payable and is not paid under any such guarantee or indemnity);
- (d) (i) the Issuer, the Guarantor or any Principal Subsidiary is (or is deemed by law or a court to be) insolvent or unable to pay its debts as they fall due, stops, suspends or threatens to stop or suspend payment of all or a material part of (or a particular type of) its debts as they fall due, (ii) the Issuer, the Guarantor or any Principal Subsidiary proposes or makes any agreement for the deferral, rescheduling or other readjustment of all or a material part of (or all of a particular type of) its indebtedness (or of all or a material part which it will otherwise be unable to pay when due), (iii) the Issuer, the Guarantor or any Principal Subsidiary proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of all or a material part of (or a particular type of) its indebtedness or a moratorium is agreed or declared in respect of or affecting all or a material part of (or of a particular type of) the indebtedness of the Issuer, the Guarantor or any Principal Subsidiary, or (iv) if any such event occurs in relation to a Subsidiary which is not a Principal Subsidiary, such event materially and adversely affects the ability of the Issuer and the Guarantor to perform or observe its obligations under the Notes, the Trust Deed or the Guarantee;
- (e) a distress, attachment, execution or other legal process is levied or enforced or sued out on or against all or a material part of the property or assets of the Issuer, the Guarantor or any Principal Subsidiary, which materially and adversely affects the ability of the Issuer or the Guarantor to perform or observe its obligations under the Notes, the Trust Deed or the Guarantee, and is not discharged or stayed within 30 days;
- (f) an order is made or an effective resolution is passed for the winding-up or dissolution, judicial management or administration of the Issuer, the Guarantor or any Principal Subsidiary, or the Issuer, the Guarantor or any Principal Subsidiary ceases or threatens to cease to carry on all or substantially all of its business, which cessation or threat is material to the Issuer, the Guarantor and its Principal Subsidiaries as a whole (except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by the Trustee or by an Extraordinary Resolution, (ii) in the case of a Principal Subsidiary, not involving insolvency or (iii) which does not materially and adversely affect the ability of the Issuer or the Guarantor to perform or observe its obligations under the Notes, the Trust Deed or the Guarantee);
- (g) an encumbrancer takes possession or an administrative or other receiver or an administrator is appointed of the whole or any substantial part of the property, assets or revenues of the Issuer, the Guarantor or any of its Principal Subsidiaries (as the case may be) and is not discharged within 30 days;

- (h) it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any one or more of its material obligations under any of the Notes, any of the Coupons or the Trust Deed;
- (i) if the Guarantee ceased to be, or is claimed by the Issuer or the Guarantor not to be, in full force and effect;
- (j) all or a material part of the assets of the Issuer, the Guarantor or any of its Principal Subsidiaries are seized, compulsory acquired, expropriated or nationalised;
- (k) any event occurs which, under the law of any relevant jurisdiction, has an analogous effect to any of the events referred to in paragraphs (d), (e), (f) or (g); or
- (l) for any reason the Guarantor ceases to own (directly or indirectly) the whole of the issued share capital for the time being of the Issuer,

10.2 Enforcement

At any time after the Notes have become due and payable, the Trustee may, at its discretion and without notice, take such proceedings against the Issuer and/or the Guarantor as it may think fit to enforce the provisions of the Trust Deed, the Notes, the Receipts and the Coupons, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed, the Notes, the Receipts or the Coupons unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least one-quarter in nominal amount of the Notes then outstanding and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

No Noteholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

11. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent, or as the case may be, the Registrar, upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer, the Principal Paying Agent or the Registrar may require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

12. PAYING AGENTS AND REGISTRAR

The names of the initial Paying Agents and the Registrar and their initial specified offices are set out below.

The Issuer is entitled, with the prior written approval of the Trustee, (in accordance with the provisions of the Agency Agreement) to vary or terminate the appointment of the Registrar or any Paying Agent and/or appoint additional or other Paying Agents, Registrar or Transfer Agents and/or approve any change in the specified office through which any Paying Agent and/or Registrar and/or Transfer Agent acts, provided that:

- (a) there will at all times be a Principal Paying Agent and a Registrar;
- (b) so long as there are outstanding Notes cleared through the CMU Service, a CMU Lodging and Paying Agent;

- (c) so long as there are outstanding Notes cleared through CDP, a CDP Paying Agent;
- (d) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority or entity, there will at all times be a Paying Agent, which may be the Principal Paying Agent, and a Transfer Agent, which may be the Registrar, with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority or entity; and
- (e) in the event that the Global Note representing any Series of Notes is exchanged for Notes in definitive form, there will at all times be a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6.5 (*General provisions applicable to payments*). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 14 (*Notices*).

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and the Guarantor and, in certain circumstances specified therein, of the Trustee and do not assume any obligation or responsibility to, or relationship of agency or trust with, any Noteholders, Receipholders, Couponholders or any other third party. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its corporate trust business to become the successor paying agent.

13. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9 (*Prescription*).

14. NOTICES

All notices regarding the Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in Asia, which is expected to be the *Business Times*. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

All notices regarding the Registered Notes will be deemed to be validly given if sent by mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of (i) Euroclear, Clearstream, Luxembourg and/or CDP, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg and/or (subject to the agreement of CDP) CDP, as the case may be, for communication by them to the holders of the Notes, or (ii) the CMU Service, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to the persons shown in a CMU Instrument Position Report issued by the CMU Service on the second Business Day preceding the date of despatch of such notice as holding interests in the relevant Global Notes, or (iii) CDP, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to the persons shown in the records maintained by the CDP on the second Business Day preceding the date of despatch of such notice as holding interests in the relevant Global Notes, and, in addition, in the case of (i), (ii) and (iii) above, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the day after the day on which the said notice was given to Euroclear, Clearstream, Luxembourg and/or CDP and/or the persons shown in the relevant CMU Instrument Position Report and/or the persons shown in the records maintained by CDP.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar through Euroclear, Clearstream, Luxembourg and/or CDP and, in the case of Notes lodged with the CMU Service, by delivery by such holder of such notice to the CMU Lodging and Paying Agent in Hong Kong, in each case in such manner as the Principal Paying Agent, the Registrar, Euroclear, Clearstream, Luxembourg, CDP and/or the CMU Service as the case may be, may approve for this purpose.

15. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

15.1 Meetings

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons, the Guarantee or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer, the Guarantor or the Trustee and shall be convened by the Issuer if required in writing by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is two or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts or the Coupons or the Trust Deed (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, the Receipts or the Coupons), the quorum shall be two or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting two or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. The Trust Deed does not contain any provisions requiring higher quorums in any circumstances. An

Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders and all relevant Couponholders, whether or not they are present at the meeting. The Trust Deed provides that a written resolution signed by or on behalf of the holders of not less than 90% of the aggregate principal amount of Notes outstanding shall be as valid and effective as a duly passed Extraordinary Resolution.

15.2 Modification, waivers and substitution

The Trustee may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach by the Issuer or the Guarantor of, any of the provisions of the Notes, the Trust Deed, the Agency Agreement or any other transaction documents, or determine, without any such consent as aforesaid, that any Event of Default shall not be treated as such, where, in any such case, it is not, in the reasonable opinion of the Trustee, materially prejudicial to the interests of the Noteholders so to do or may agree, without any such consent as aforesaid, to any modification which is of a formal, minor or technical nature or is made to cure any ambiguity or correct a manifest error or an error which, in the reasonable opinion of the Trustee, is proven, or to comply with mandatory provisions of the law or is required by Euroclear, Clearstream, Luxembourg, CDP and/or any other clearing system in which the Notes may be held. Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 14 (*Notices*) as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Trustee shall have regard to the general interests of the Noteholders of each Series as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders, Receiptholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for Noteholders or any other Series or for individual Noteholders, Receiptholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder, Receiptholder or Couponholder be entitled to claim, from the Issuer, the Guarantor, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders, Receiptholders or Couponholders except to the extent already provided for in Condition 8 (*Taxation*) and/or any undertaking or covenant given in addition to, or in substitution for, Condition 8 (*Taxation*) pursuant to the Trust Deed.

The Trustee may, without the consent of the Noteholders, Receiptholders or Couponholders agree with the Issuer and the Guarantor to the substitution in place of the Issuer (or of any previous substitute under this Condition) as the principal debtor under the Notes, the Receipts, the Coupons and the Trust Deed of another company, being the Guarantor or a Subsidiary of the Guarantor, subject to:

- (i) except in the case of the substitution of the Issuer by the Guarantor, the Notes being unconditionally and irrevocably guaranteed by the Guarantor;
- (ii) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution; and
- (iii) certain other conditions set out in the Trust Deed being complied with.

16. INDEMNIFICATION OF THE TRUSTEE AND TRUSTEE CONTRACTING WITH THE ISSUER AND THE GUARANTOR

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or pre-funded to its satisfaction.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer, the Guarantor and/or any Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer, the Guarantor and/or any Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders, Receiptholders or Couponholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

17. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT

No person shall have any right to enforce any term or condition of this Note under:

- (a) if the Notes are specified to be governed by English law in the applicable Pricing Supplement, the Contracts (Rights of Third Parties) Act 1999; or
- (b) if the Notes are specified to be governed by Singapore law in the applicable Pricing Supplement, the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore,

but this does not affect any right or remedy of any person which exists or is available apart from that Act.

19. GOVERNING LAW AND SUBMISSION TO JURISDICTION

19.1 Governing law

The Notes, the Receipts, the Coupons, the Trust Deed and any non-contractual obligations arising out of or in connection with the Notes, the Receipts, the Coupons and the Trust Deed are governed by and shall be construed in accordance with:

- (a) if the Notes are specified to be governed by English law in the applicable Pricing Supplement, English law; or
- (b) if the Notes are specified to be governed by Singapore law in the applicable Pricing Supplement, Singapore law.

19.2 Submission to jurisdiction

The Issuer irrevocably agrees, for the benefit of the Trustee, the Noteholders, the Receiptholders and the Couponholders, that:

- (a) if the Notes are specified to be governed by English law in the applicable Pricing Supplement, the courts of England; or
- (b) if the Notes are specified to be governed by Singapore law in the applicable Pricing Supplement, the courts of Singapore,

(the **Relevant Courts**) are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed, the Notes, the Receipts and/or the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes, the Receipts and/or the Coupons) and accordingly submits to the non-exclusive jurisdiction of the Relevant Courts.

The Issuer waives any objection to the Relevant Courts on the grounds that they are an inconvenient or inappropriate forum. The Trustee, the Noteholders, the Receiptholders and the Couponholders may take any suit, action or proceedings (together referred to as **Proceedings**) arising out of or in connection with the Trust Deed, the Notes, the Receipts and the Coupons (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes, the Receipts and the Coupons) against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

19.3 Appointment of Process Agent

If the Notes are specified to be governed by English law in the applicable Pricing Supplement, the Issuer appoints Law Debenture Corporate Services Limited at its registered office at Fifth Floor, 100 Wood Street, London EC2V 7EX as its agent for service of process, and undertakes that, in the event of Law Debenture Corporate Services Limited ceasing so to act or ceasing to be registered in England, it will appoint another person approved by the Trustee as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

Nothing in this Condition 19.3 (*Appointment of Process Agent*) shall affect the right to serve proceedings in any other manner permitted by law.

19.4 Other documents and the Guarantor

The Issuer and, where applicable, the Guarantor, the Agents and the Trustee have in the Trust Deed and the Agency Agreement submitted to the non-exclusive jurisdiction of the English courts and the Issuer and, where applicable, the Guarantor has appointed an agent for service of process in terms substantially similar to those set out above.

TERMS AND CONDITIONS OF THE PERPETUAL SECURITIES

The following are the Terms and Conditions of the Perpetual Securities which will be incorporated by reference into each Global Perpetual Security (as defined below), each Definitive Bearer Perpetual Security (as defined below) and each Definitive Registered Perpetual Security (as defined below) but, in the case of Definitive Bearer Perpetual Securities and Definitive Registered Perpetual Securities, only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the relevant Issuer, the Guarantor and the relevant Dealer at the time of issue but, if not so permitted and agreed, such Definitive Bearer Perpetual Security or Definitive Registered Perpetual Security will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Pricing Supplement in relation to any Tranche of Perpetual Securities may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Perpetual Securities. The applicable Pricing Supplement (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Perpetual Security and definitive Perpetual Security. Reference should be made to "Form of the Perpetual Securities" for a description of the content of Pricing Supplement which will specify which of such terms are to apply in relation to the relevant Perpetual Securities.

This Perpetual Security is one of a Series (as defined below) of Perpetual Securities issued by Keppel Land Limited (**KLL**) or Keppel Land Financial Services Pte. Ltd. (**KLFS**) and, together with KLL, the **Issuers** and each an **Issuer** (as specified in the applicable Pricing Supplement) constituted by a **Trust Deed**, which expression in these Terms and Conditions shall mean:

- (a) if the Perpetual Securities are specified to be governed by English law in the applicable Pricing Supplement, an English law Trust Deed as modified and/or supplemented and/or restated from time to time dated 22 November 2012 made between the Issuers, Keppel Land Limited (the **Guarantor**) and HSBC Institutional Trust Services (Singapore) Limited (the **Trustee**, which expression shall include any successor as Trustee); or
- (b) if the Perpetual Securities are specified to be governed by Singapore law in the applicable Pricing Supplement, a Singapore law Trust Deed as modified and/or supplemented and/or restated from time to time dated 22 November 2012 made between the Issuers, the Guarantor and the Trustee, which incorporates the provisions of the English law Trust Deed dated 22 November 2012 made between the Issuers, the Guarantor and the Trustee (subject to certain modifications and amendments required under Singapore law).

These Terms and Conditions (the **Conditions**) include summaries of, and are subject to, the detailed provisions of the Trust Deed.

References herein to the **Perpetual Securities** shall be references to the Perpetual Securities of this Series and shall mean:

- (a) in relation to any Perpetual Securities represented by a global Perpetual Security (a **Global Perpetual Security**), units of each Specified Denomination in the Specified Currency;
- (b) any Global Perpetual Security in bearer form (each a **Bearer Global Perpetual Security**);
- (c) any Global Perpetual Security in registered form (each a **Registered Global Perpetual Security**);
- (d) any definitive Perpetual Securities in bearer form (**Definitive Bearer Perpetual Securities** and, together with Bearer Global Perpetual Securities, the **Bearer Perpetual Securities**) issued in exchange for a Global Perpetual Security in bearer form; and
- (e) any definitive Perpetual Securities in registered form (**Definitive Registered Perpetual Securities** and, together with Registered Global Perpetual Securities, the **Registered Perpetual Securities**) (whether or not issued in exchange for a Global Perpetual Security in registered form).

The Perpetual Securities and the Coupons (as defined below) have the benefit of an Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 22 November 2012 and made between the Issuers, the Guarantor, the Trustee, The Hongkong and Shanghai Banking Corporation Limited as principal paying agent (the **Principal Paying Agent**, which expression shall include any successor principal paying agent) and the other paying agents named therein (together with the Principal Paying Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents), The Hongkong and Shanghai Banking Corporation Limited as registrar (the **Registrar**, which expression shall include any successor registrar) and transfer agent and the other transfer agents named therein (together with the Registrar, the **Transfer Agents**, which expression shall include any additional or successor transfer agents), The Hongkong and Shanghai Banking Corporation Limited as CMU lodging and paying agent (the **CMU Lodging and Paying Agent**, which expression shall include any successor CMU lodging and paying agent) and The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch as agent in Singapore solely for the purposes of and in connection with Perpetual Securities cleared or to be cleared through The Central Depository (Pte) Limited (**CDP**) (the **CDP Paying Agent**, which expression shall include any successor agent in Singapore). The Principal Paying Agent, Paying Agents, Registrar, Transfer Agents, CMU Lodging and Paying Agent, CDP Paying Agent and calculation agent(s) for the time being (if any) are being together referred to as the **Agents**.

For the purposes of these Conditions, all references:

- (i) to the Principal Paying Agent shall:
 - (a) with respect to a Series of Perpetual Securities to be held in the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority (the **CMU Service**), be deemed to be a reference to the CMU Lodging and Paying Agent; and
 - (b) with respect to a Series of Perpetual Securities to be held in the computerised system operated by CDP, be deemed to be a reference to the CDP Paying Agent; and
- (ii) to the Issuer shall be to the relevant Issuer of the Perpetual Securities as specified in the applicable Pricing Supplement,

and all such references shall be construed accordingly.

Definitive Bearer Perpetual Securities have distribution coupons (**Coupons**) and talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Global Perpetual Securities and Registered Perpetual Securities do not have Coupons or Talons attached on issue.

The final terms for this Perpetual Security (or the relevant provisions thereof) are set out in the Pricing Supplement attached to or endorsed on this Perpetual Security which supplement these Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Perpetual Security. References to the **applicable Pricing Supplement** are to the Pricing Supplement (or the relevant provisions thereof) attached to or endorsed on this Perpetual Security.

The Trustee acts for the benefit of the holders for the time being of the Perpetual Securities (the **Securityholders** or **holders** in relation to any Perpetual Securities, which expression shall mean, in the case of Bearer Perpetual Securities, the holders of the Perpetual Securities and, in the case of Registered Perpetual Securities, the persons in whose name the Perpetual Securities are registered and shall, in relation to any Perpetual Securities represented by a Global Perpetual Security, be construed in Condition 1 (*Form, Denomination and Title*) as provided below) in accordance with the provisions of the Trust Deed. Any reference herein to Couponholders shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, **Tranche** means Perpetual Securities which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Perpetual Securities together with any further Tranche or Tranches of Perpetual Securities which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Distribution Commencement Dates and/or Issue Prices.

Where the Perpetual Securities are cleared through CDP, the Securityholders and the Couponholders are entitled to the benefit of the CDP Deed of Covenant dated 22 November 2012 made by KLL or, as the case may be, the CDP Deed of Covenant dated 22 November made by KLFS.

Copies of the Trust Deed and the Agency Agreement are available for inspection during normal business hours at the specified office of the Trustee being at 21 Collyer Quay, #10-02 HSBC Building, Singapore 049320 and at the specified office of each of the Paying Agents. Copies of the applicable Pricing Supplement are available for viewing at the registered office of the Issuer and each of the Paying Agents provided that Securityholders must produce evidence satisfactory to the Issuer, the Trustee and the relevant Paying Agent (or in the case of Registered Perpetual Securities) the Registrar as to its holding of such Perpetual Securities and identity. The Securityholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed, the Agency Agreement and the applicable Pricing Supplement which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Agency Agreement.

Words and expressions defined in the Trust Deed, the Agency Agreement or used in the applicable Pricing Supplement shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the Agency Agreement, the Trust Deed will prevail and, in the event of inconsistency between the Trust Deed or the Agency Agreement and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

1. FORM, DENOMINATION AND TITLE

The Perpetual Securities are issued either in bearer form or in registered form, as specified in the applicable Pricing Supplement and, in the case of Definitive Bearer Perpetual Securities, serially numbered, in the Specified Currency and the Specified Denomination(s). Bearer Perpetual Securities of one Specified Denomination may not be exchanged for Bearer Perpetual Securities of another Specified Denomination and Bearer Perpetual Securities may not be exchanged for Registered Perpetual Securities and *vice versa*.

This Perpetual Security may be a Fixed Rate Perpetual Security, a Floating Rate Perpetual Security, an Index Linked Distribution Perpetual Security, a Dual Currency Distribution Perpetual Security or a combination of any of the foregoing, depending upon the Distribution Basis shown in the applicable Pricing Supplement.

This Perpetual Security may be an Index Linked Redemption Perpetual Security, a Dual Currency Redemption Perpetual Security, a Partly Paid Perpetual Security or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Pricing Supplement.

Definitive Bearer Perpetual Securities are issued with Coupons attached.

Subject as set out below, title to the Bearer Perpetual Securities and Coupons will pass by delivery and title to the Registered Perpetual Securities will pass on registration of transfers in accordance with the Agency Agreement. The Issuer, the Guarantor, the Paying Agents,

the Transfer Agents (in the case of Registered Perpetual Securities), the CMU Lodging and Paying Agent (if applicable), the CDP Paying Agent (if applicable), the Registrar (in the case of Registered Perpetual Securities) and the Trustee will (except as otherwise required by law) deem and treat the bearer of any Bearer Perpetual Security or Coupon and the registered holder of any Registered Perpetual Security as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Perpetual Security, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Perpetual Securities is represented by a Global Perpetual Security held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking, société anonyme (**Clearstream, Luxembourg**), CDP, and/or a sub-custodian for the CMU Service, each person (other than Euroclear, Clearstream, Luxembourg, CDP or the CMU Service) who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg, CDP or the CMU Service as the holder of a particular nominal amount of such Perpetual Securities (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg, CDP or the CMU Service as to the nominal amount of such Perpetual Securities standing to the account of any person shall be conclusive and binding for all purposes save, in the case of Perpetual Securities not cleared through CDP, for manifest error) shall be treated by the Issuer, the Guarantor, the Paying Agents, the Transfer Agents (in the case of Registered Perpetual Securities), the CMU Lodging and Paying Agent (if applicable), the CDP Paying Agent (if applicable), the Registrar (in the case of Registered Perpetual Securities) and the Trustee and all other agents of the Issuer as the holder of such nominal amount of such Perpetual Securities for all purposes other than with respect to the payment of principal or distribution on such nominal amount of such Perpetual Securities, for which purpose the bearer of the relevant Bearer Global Perpetual Security or the registered holder of the relevant Registered Global Perpetual Security shall be treated by the Issuer, the Guarantor, the Paying Agents, the Transfer Agents (in the case of Registered Perpetual Securities), the CMU Lodging and Paying Agent (if applicable), the CDP Paying Agent (if applicable), the Registrar (in the case of Registered Perpetual Securities) and the Trustee and all other agents of the Issuer as the holder of such nominal amount of such Perpetual Securities in accordance with and subject to the terms of the relevant Global Perpetual Security and the expressions **Securityholder** and **holder of Perpetual Securities** and related expressions shall be construed accordingly. Notwithstanding the above, if a Perpetual Security (whether in global or definitive form) is held through the CMU Service, any payment that is made in respect of such Perpetual Security shall be made at the direction of the bearer or the registered holder to the person(s) for whose account(s) interests in such Perpetual Security are credited as being held through the CMU Service in accordance with the CMU Rules (as defined in the Agency Agreement) at the relevant time as notified to the CMU Lodging and Paying Agent by the CMU Service in a relevant CMU Instrument Position Report (as defined in the CMU Rules) or any other relevant notification by the CMU Service (which notification, in either case, shall be conclusive evidence of the records of the CMU Service as to the identity of any accountholder and the principal amount of any Perpetual Security credit to its account, save in the case of manifest error) (**CMU Accountholders**) and such payments shall discharge the obligation of the Issuer in respect of that payment under such Perpetual Security. In determining whether a particular person is entitled to a particular nominal amount of Perpetual Securities as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

Perpetual Securities which are represented by a Global Perpetual Security will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg, CDP and/or the CMU Service, as the case may be. References to Euroclear, Clearstream, Luxembourg, CDP and the CMU Service shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement or as may otherwise be approved by the Issuer, the Principal Paying Agent and the Trustee.

2. TRANSFER OF REGISTERED PERPETUAL SECURITIES

2.1 Transfers of interests in Registered Global Perpetual Securities

Transfers of beneficial interests in Registered Global Perpetual Securities will be effected by Euroclear, Clearstream, Luxembourg, CDP or the CMU Service, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Perpetual Security will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Perpetual Securities in definitive form or for a beneficial interest in another Registered Global Perpetual Security only in the authorised denominations set out in the applicable Pricing Supplement and only in accordance with the rules and operating procedures for the time being of Euroclear, Clearstream, Luxembourg, CDP or the CMU Service, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement. Transfers of a Registered Global Perpetual Security registered in the name of a nominee of a common depository for Euroclear, Clearstream, Luxembourg, CDP or the CMU Service shall be limited to transfers of such Registered Global Perpetual Security, in whole but not in part, to another nominee of Euroclear, Clearstream, Luxembourg, CDP or the CMU Service (as the case may be) or to a successor of Euroclear, Clearstream, Luxembourg, CDP or the CMU Service (as the case may be) or such successor's nominee.

2.2 Transfers of Registered Perpetual Securities in definitive form

Subject as provided in Condition 2.5 (*Closed periods*) below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Definitive Registered Perpetual Security may be transferred in whole or in part (in the authorised denominations set out in the applicable Pricing Supplement). In order to effect any such transfer:

- (i) the holder or holders must:
 - (A) surrender the Registered Perpetual Security for registration of the transfer of the Registered Perpetual Security (or the relevant part of the Registered Perpetual Security) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing; and
 - (B) complete and deposit such other certifications as may be required by the relevant Transfer Agent; and
- (ii) the relevant Transfer Agent must be satisfied with the documents of title and the identity of the person making the request.

Any such transfer will be subject to such regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 3 to the Agency Agreement). Subject as provided above, the relevant Transfer Agent will, within five business days (being for this purpose a day on which banks are open for business in the

city where the specified office of the Registrar and the relevant Transfer Agent is located) of the relevant request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), deliver, or procure the delivery of, at its specified office, to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Perpetual Security in definitive form of a like aggregate nominal amount to the Registered Perpetual Security (or the relevant part of the Registered Perpetual Security) transferred. In the case of the transfer of part only of a Registered Perpetual Security in definitive form, a new Registered Perpetual Security in definitive form in respect of the balance of the Registered Perpetual Security not transferred will be so delivered or (at the risk of the transferor) sent to the transferor.

2.3 Registration of transfer upon partial redemption

In the event of a partial redemption of Perpetual Securities under Condition 5 (*Redemption and Purchase*), the Issuer shall not be required to register or procure registration of the transfer of any Registered Perpetual Security, or part of a Registered Perpetual Security, called for partial redemption.

2.4 Costs of registration

Securityholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

2.5 Closed periods

No Securityholder may require the transfer of a Registered Perpetual Security to be registered during the period of (i) 15 days ending on (and including) the due date for redemption of that Perpetual Security, (ii) during the period of 15 days before (and including) any date on which Perpetual Securities may be called for redemption by the Issuer pursuant to Condition 5(d) (*Redemption at the Option of the Issuer*) and (iii) 15 days ending on (and including) any Payment Date.

2.6 Exchanges and transfers of Registered Perpetual Securities generally

Holders of Definitive Registered Perpetual Securities may exchange such Perpetual Securities for interests in a Registered Global Perpetual Security of the same type at any time.

3. STATUS OF THE PERPETUAL SECURITIES AND THE GUARANTEE IN RESPECT OF THE PERPETUAL SECURITIES

(a) **Senior Perpetual Securities:** This Condition 3(a) (*Senior Perpetual Securities*) applies to Perpetual Securities that are specified in the applicable Pricing Supplement to be Senior Perpetual Securities.

(i) **Status of Senior Perpetual Securities:** The Senior Perpetual Securities and the Coupons relating to them constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* and without any preference among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations if any) of the Issuer from time to time outstanding.

- (ii) **Guarantee:** The payment of principal and distribution in respect of the Senior Perpetual Securities and all other moneys payable by the Issuer under or pursuant to the Trust Deed has been unconditionally and irrevocably guaranteed by the Guarantor in the Trust Deed (the **Senior Guarantee**). The payment obligations of the Guarantor under the Senior Guarantee constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and (save for certain obligations required to be preferred by law) rank equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor from time to time outstanding.

- (b) **Subordinated Perpetual Securities:** This Condition 3(b) (*Subordinated Perpetual Securities*) applies to Perpetual Securities that are specified in the applicable Pricing Supplement to be Subordinated Perpetual Securities.
 - (i) **Status of Subordinated Perpetual Securities:** The Subordinated Perpetual Securities and the Coupons relating to them constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank *pari passu* and without any preference among themselves and with any Parity Obligations (as defined in the applicable Pricing Supplement) of the Issuer. The rights and claims of the Securityholders in respect of the Subordinated Perpetual Securities are subordinated as provided in this Condition 3(b) (*Subordinated Perpetual Securities*).

 - (ii) **Ranking of claims on Winding-Up — Issuer:** Subject to the insolvency laws of the jurisdiction of incorporation of the Issuer and other applicable laws, in the event of the Winding-Up of the Issuer, the rights of the Securityholders and Couponholders to payment of principal of, and distribution on, the Subordinated Perpetual Securities and the Coupons relating to them 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 Subordinated Perpetual Securities and in priority to the claims of shareholders of the Issuer and/or as otherwise specified in the applicable Pricing Supplement.

 - (iii) **Set-off — Issuer:** Subject to applicable law, no Securityholder or Couponholder 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 Subordinated Perpetual Securities or any Coupons relating to them, and each Securityholder or Couponholder shall, by virtue of his holding of any Subordinated Perpetual Securities or any Coupons relating to them, 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 Securityholder or Couponholder by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them is discharged by set-off, such Securityholder or Couponholder 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 or administration, 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.

 - (iv) **Guarantee of Subordinated Perpetual Securities:** The payment of principal and distribution in respect of the Subordinated Perpetual Securities and all other moneys expressed to be payable by the Issuer under or pursuant to the Trust

Deed, has been unconditionally and irrevocably guaranteed on a subordinated basis by the Guarantor in the Trust Deed (the **Subordinated Guarantee**). The payment obligations of the Guarantor constitute direct, unconditional, unsecured and subordinated obligations of the Guarantor and rank equally with any Parity Obligations of the Guarantor. The rights and claims of the Securityholders and Couponholders in respect of the Subordinated Guarantee are subordinated as provided in this Condition 3(b) (*Subordinated Perpetual Securities*).

- (v) **Ranking of claims on Winding-Up — Guarantor:** Subject to the insolvency laws of the jurisdiction of incorporation of the Guarantor and other applicable laws, in the event of the Winding-Up of the Guarantor, the rights of the Securityholders and Couponholders to payments under the Subordinated Guarantee are expressly subordinated and subject in right of payment to the prior payment in full of all claims of senior creditors of the Guarantor but at least *pari passu* with all other subordinated obligations of the Guarantor that are not expressed by their terms to rank junior to the Subordinated Guarantee and in priority to the claims of shareholders of the Guarantor and/or as otherwise specified in the applicable Pricing Supplement.
- (vi) **Set-off — Guarantor:** Subject to applicable law, no Securityholder or Couponholder may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Guarantor in respect of, or arising under or in connection with the Subordinated Guarantee, and each Securityholder or Couponholder shall, by virtue of his holding of any Subordinated Perpetual Securities or any Coupons related to them, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Guarantor. Notwithstanding the preceding sentence, if any of the amounts owing to any Securityholder or Couponholder by the Guarantor in respect of, or arising under or in connection with the Subordinated Guarantee is discharged by set-off, such Securityholder or Couponholder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Guarantor (or, in the event of its Winding-Up or administration, the liquidator or, as appropriate, administrator of the Guarantor) and, until such time as payment is made, shall hold such amount in trust for the Guarantor (or the liquidator or, as appropriate, administrator of the Guarantor) and accordingly any such discharge shall be deemed not to have taken place.

4. DISTRIBUTIONS AND OTHER CALCULATIONS

4.1 Distribution on Fixed Rate Perpetual Securities

Each Fixed Rate Perpetual Security confers a right to receive distribution from (and including) the Distribution Commencement Date at the rate(s) per annum equal to the Rate(s) of Distribution. Distribution will be payable in arrear on the Distribution Payment Date(s) in each year up to (and including) the due date for redemption. The Rate(s) of Distribution may be reset in the manner provided in the applicable Pricing Supplement.

If the Perpetual Securities are in definitive form, except as provided in the applicable Pricing Supplement, the amount of distribution payable on each Distribution Payment Date in respect of the Fixed Distribution Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of distribution on any Distribution Payment Date will, if so specified in the applicable Pricing Supplement, amount to the Broken Amount so specified.

As used in the Conditions:

Fixed Distribution Period means the period from (and including) a Distribution Payment Date (or the Distribution Commencement Date) to (but excluding) the next (or first) Distribution Payment Date.

Except in the case of Perpetual Securities in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Pricing Supplement, distribution shall be calculated in respect of any period by applying the Rate of Distribution to:

- (A) in the case of Fixed Rate Perpetual Securities which are represented by a Global Perpetual Security, the aggregate outstanding nominal amount of the Fixed Rate Perpetual Securities represented by such Global Perpetual Security (or, if they are Partly Paid Perpetual Securities, the aggregate amount paid up); or
- (B) in the case of Fixed Rate Perpetual Securities in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Perpetual Security in definitive form is a multiple of the Calculation Amount, the amount of distribution payable in respect of such Fixed Rate Perpetual Security shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding; and

Day Count Fraction means, in respect of the calculation of an amount of distribution in accordance with this Condition 4.1 (*Distribution on Fixed Rate Perpetual Securities*):

- (a) if “**Actual/Actual (ICMA)**” is specified in the applicable Pricing Supplement:
 - (i) in the case of Perpetual Securities where the number of days in the relevant period from (and including) the most recent Distribution Payment Date (or, if none, the Distribution Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; or
 - (ii) in the case of Perpetual Securities where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
 - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

- (b) if “**30/360**” is specified in the applicable Pricing Supplement, the number of days in the period from (and including) the most recent Distribution Payment Date (or, if none, the Distribution Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360; and
- (c) if “**Actual/365 (Fixed)**” is specified in the applicable Pricing Supplement, the actual number of days in the period from (and including) the most recent Distribution Payment Date (or, if none, the Distribution Commencement Date) to (but excluding) the relevant Distribution Payment Date divided by 365.

In the Conditions, the following expressions have the following meanings:

Determination Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Distribution Commencement Date or the final Distribution Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

sub-unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

4.2 Distribution on Floating Rate Perpetual Securities and Index Linked Distribution Perpetual Securities

(a) *Distribution Payment Dates*

Each Floating Rate Perpetual Security and Index Linked Distribution Perpetual Security confers a right to receive distribution from (and including) the Distribution Commencement Date and such distribution will be payable in arrear on either:

- (i) the Specified Distribution Payment Date(s) in each year specified in the applicable Pricing Supplement; or
- (ii) if no Specified Distribution Payment Date(s) is/are specified in the applicable Pricing Supplement, each date (each such date, together with each Specified Distribution Payment Date, a **Distribution Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Pricing Supplement after the preceding Distribution Payment Date or, in the case of the first Distribution Payment Date, after the Distribution Commencement Date.

Such distribution will be payable in respect of each Distribution Period (which expression shall, in the Conditions, mean the period from (and including) a Distribution Payment Date (or the Distribution Commencement Date) to (but excluding) the next (or first) Distribution Payment Date).

If a Business Day Convention is specified in the applicable Pricing Supplement and (x) if there is no numerically corresponding day in the calendar month in which a Distribution Payment Date should occur or (y) if any Distribution Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 4.2(a)(ii) above, the Floating Rate Convention, such Distribution Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month

and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Distribution Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Distribution Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Distribution Payment Date occurred; or

- (B) the Following Business Day Convention, such Distribution Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Distribution Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Distribution Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Distribution Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions, **Business Day** means a day which is both:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Singapore and each Additional Business Centre specified in the applicable Pricing Supplement; and
- (b) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (ii) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open.

(b) *Rate of Distribution*

The Rate of Distribution payable from time to time in respect of Floating Rate Perpetual Securities and Index Linked Distribution Perpetual Securities will be determined and may be reset in the manner specified in the applicable Pricing Supplement.

(i) ISDA Determination for Floating Rate Perpetual Securities

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Distribution is to be determined, the Rate of Distribution for each Distribution Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any). For the purposes of this subparagraph (i), **ISDA Rate** for a Distribution Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent (as specified in the applicable Pricing Supplement) under a distribution rate swap transaction if the Calculation Agent (as specified in the applicable Pricing Supplement) were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Perpetual Securities (the **ISDA Definitions**) and under which:

- (A) the Floating Rate Option is as specified in the applicable Pricing Supplement;

- (B) the Designated Maturity is a period specified in the applicable Pricing Supplement; and
- (C) the relevant Reset Date is either (a) if the applicable Floating Rate Option is based on the London interbank offered rate (**LIBOR**), on the Euro-zone interbank offered rate (**EURIBOR**), the first day of that Distribution Period or (b) in any other case, as specified in the applicable Pricing Supplement.

For the purposes of this subparagraph (i), **Floating Rate**, **Calculation Agent**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Pricing Supplement the Minimum Rate of Distribution shall be deemed to be zero.

- (ii) Screen Rate Determination for Floating Rate Perpetual Securities where the Reference Rate is specified as being LIBOR or EURIBOR

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Distribution is to be determined, the Rate of Distribution for each Distribution Period will, subject as provided below, be either:

- (A) the offered quotation; or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Distribution Determination Date in question plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Distribution in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of Floating Rate Perpetual Securities is specified in the applicable Pricing Supplement as being other than LIBOR or EURIBOR, the Rate of Distribution in respect of such Perpetual Securities will be determined as provided in the applicable Pricing Supplement.

- (iii) Screen Rate Determination for Floating Rate Perpetual Securities where the Reference Rate is specified as being the Singapore dollar interbank offer rate (**SIBOR**) or the Singapore dollar swap offer rate (**SOR**):
 - (A) Each Floating Rate Perpetual Security where the Reference Rate is specified as being SIBOR (in which case such Perpetual Security will be a **SIBOR Perpetual**

Security) or SOR (in which case such Perpetual Security will be a **Swap Rate Perpetual Security**) confers a right to receive distribution at a floating rate determined by reference to SIBOR or, as the case may be, SOR as specified in the applicable Pricing Supplement.

(B) The Rate of Distribution payable from time to time in respect of each Floating Rate Perpetual Security under this Condition 4.2(b)(iii) will be determined by the Calculation Agent on the basis of the following provisions:

(i) in the case of Floating Rate Perpetual Securities which are SIBOR Perpetual Securities:

(aa) the Calculation Agent will, at or about the relevant time on the relevant Distribution Determination Date in respect of each Distribution Period, determine the Rate of Distribution for such Distribution Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Distribution Period which appears on the Reuters Screen ABSIRFIX01 page under the caption "ASSOCIATION OF BANKS IN SINGAPORE — SIBOR AND SWAP OFFER RATES — RATES AT 11:00 A.M. SINGAPORE TIME" and the column headed "SGD SIBOR" (or such other Relevant Screen Page) plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any);

(bb) if no such rate appears on the Reuters Screen ABSIRFIX01 page (or such other replacement page thereof), the Calculation Agent will, at or about the relevant time on such Distribution Determination Date, determine the Rate of Distribution for such Distribution Period which shall be the rate which appears on Page ABSI on the monitor of the Bloomberg agency under the caption "ASSOCIATION OF BANKS IN SG — SWAP OFFER AND SIBOR FIXING RATES — RATES AT 11:00AM SINGAPORE TIME" and the column headed "SGD SIBOR" (or such other replacement page thereof), being the offered rate for deposits in Singapore dollars for a period equal to the duration of such Distribution Period;

(cc) if no such rate appears on Page ABSI on the monitor of the Bloomberg agency (or such other replacement page thereof or, if no rate appears, on such other Relevant Screen Page) or if Page ABSI on the monitor of the Bloomberg agency (or such other replacement page thereof or such other Relevant Screen Page) is unavailable for any reason, the Calculation Agent will request the Reference Banks to provide the Calculation Agent with the rate at which deposits in Singapore dollars are offered by it at approximately the relevant time on the Distribution Determination Date to prime banks in the Singapore inter-bank market for a period equivalent to the duration of such Distribution Period commencing on such Distribution Payment Date in an amount comparable to the aggregate nominal amount of the relevant Floating Rate Perpetual Securities. The Rate of Distribution for such Distribution Period shall be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of such offered quotations, plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any) as determined by the Calculation Agent;

(dd) if on any Distribution Determination Date two but not all the Reference Banks provide the Calculation Agent with such quotations, the Rate of Distribution for the relevant Distribution Period shall be determined in

accordance with (cc) above on the basis of the quotations of those Reference Banks providing such quotations plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any); and

- (ee) if on any Distribution Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotations, the Rate of Distribution for the relevant Distribution Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about the relevant time on such Distribution Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Distribution Period, an amount equal to the aggregate nominal amount of the relevant Floating Rate Perpetual Securities for such Distribution Period by whatever means they determine to be most appropriate or if on such Distribution Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotation, the rate per annum which the Calculation Agent determines to be arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the relevant time on such Distribution Determination Date plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any);
- (ii) in the case of Floating Rate Perpetual Securities which are Swap Rate Perpetual Securities:
 - (aa) the Calculation Agent will, at or about the relevant time on the relevant Distribution Determination Date in respect of each Distribution Period, determine the Rate of Distribution for such Distribution Period which shall be the Average Swap Rate for such Distribution Period (determined by the Calculation Agent as being the rate which appears on the Reuters Screen ABSIRFIX01 page under the caption "ASSOCIATION OF BANKS IN SINGAPORE — SIBOR AND SWAP OFFER RATES — RATES AT 11:00 A.M. SINGAPORE TIME" under the column headed "SGD SWAP OFFER" (or such other page as may replace Reuters Screen ABSIRFIX01 page for the purposes of displaying the swap rates of leading reference banks) at or about the relevant time on such Distribution Determination Date and for a period equal to the duration of such Distribution Period) plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any);
 - (bb) if on any Distribution Determination Date, no such rate is quoted on Reuters Screen ABSIRFIX01 page (or such other replacement page as aforesaid) or Reuters Screen ABSIRFIX01 page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will determine the Average Swap Rate (which shall be round up to the nearest 1/16 per cent.) for such Distribution Period in accordance with the following formula:

In the case of Premium:

$$\begin{aligned} \text{Average Swap Rate} &= \frac{365}{360} \times \text{SIBOR} + \frac{(\text{Premium} \times 36500)}{(\text{T} \times \text{Spot Rate})} \\ &+ \frac{(\text{SIBOR} \times \text{Premium})}{(\text{Spot Rate})} \times \frac{365}{360} \end{aligned}$$

In the case of Discount:

$$\begin{aligned} \text{Average Swap Rate} &= \frac{365}{360} \times \text{SIBOR} - \frac{(\text{Discount} \times 36500)}{(\text{T} \times \text{Spot Rate})} \\ &- \frac{(\text{SIBOR} \times \text{Discount})}{(\text{Spot Rate})} \times \frac{365}{360} \end{aligned}$$

where:

SIBOR = the rate which appears on the Reuters Screen SIBOR page under the caption "SINGAPORE INTERBANK OFFER RATES (DOLLAR DEPOSITS) 11 A.M." and the row headed "SIBOR USD" (or such other page as may replace Reuters Screen SIBOR page for the purpose of displaying Singapore inter-bank U.S. dollar offered rates of leading reference banks) at or about the Relevant Time on the relevant Distribution Determination Dates for a period equal to the duration of the Distribution Period concerned;

Spot Rate = the rate (determined by the Calculation Agent) being the composite quotation or, in the absence of which, the arithmetic mean of the rates quoted by the Reference Banks and which appear under the caption "ASSOCIATION OF BANKS IN SINGAPORE — SGD SPOT AND SWAP OFFER RATES AT 11.00 A.M. SINGAPORE TIME" and the column headed "SPOT" on the Reuters Screen ABSIRFIX06 page (or such other page as may replace the Reuters Screen ABSIRFIX06 page for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the relevant time on the relevant Distribution Determination Date for a period equal to the duration of the Distribution Period concerned;

Premium or Discount = the rate (determined by the Calculation Agent) being the composite quotation or, in the absence of which, the swap point (expressed in Singapore dollar per U.S. dollar) quoted by the Reference Banks for a period equal to the duration of the Distribution Period concerned which appear under the caption "ASSOCIATION OF BANKS IN SINGAPORE — SGD SPOT AND SWAP OFFER RATES AT 11.00 A.M. SINGAPORE TIME" on the Reuters Screen ABSIRFIX06-7 pages (or such other page as may replace the Reuters Screen ABSIRFIX06-7 pages for

the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Distribution Determination Date for a period equal to the duration of the Distribution Period concerned; and

T = the number of days in the Distribution Period concerned.

The Rate of Distribution for such Distribution Period shall be the Average Swap Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any) (as determined by the Calculation Agent);

(cc) if on any Distribution Determination Date any one of the components for the purposes of calculating the Average Swap Rate under (bb) above is not quoted on the relevant Reuters Screen page (or such other replacement page as aforesaid) or the relevant Reuters Screen page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of the Reference Banks to provide the Calculation Agent with quotations of their Swap Rates for the Distribution Period concerned at or about the relevant time on that Distribution Determination Date and the Rate of Distribution for such Distribution Period shall be the Average Swap Rate for such Distribution Period (which shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the Swap Rates quoted by the Reference Banks to the Calculation Agent). The Swap Rate of a Reference Bank means the rate at which that Reference Bank can generate Singapore dollars for the Distribution Period concerned in the Singapore inter-bank market at or about the relevant time on the relevant Distribution Determination Date and shall be determined by such Reference Bank as follows:

In the case of Premium:

$$\text{Swap Rate} = \frac{365}{360} \times \text{SIBOR} + \frac{(\text{Premium} \times 36500)}{(T \times \text{Spot Rate})} + \frac{(\text{SIBOR} \times \text{Premium})}{(\text{Spot Rate})} \times \frac{365}{360}$$

In the case of Discount:

$$\text{Swap Rate} = \frac{365}{360} \times \text{SIBOR} - \frac{(\text{Discount} \times 36500)}{(T \times \text{Spot Rate})} - \frac{(\text{SIBOR} \times \text{Discount})}{(\text{Spot Rate})} \times \frac{365}{360}$$

where:

SIBOR = the rate per annum at which U.S. dollar deposits for a period equal to the duration of the Distribution Period concerned are being offered by that

Reference Bank to prime banks in the Singapore inter-bank market at or about the relevant time on the relevant Distribution Determination Date;

Spot Rate = the rate per annum at which U.S. dollar deposits for a period equal to the duration of the Distribution Period concerned are being offered by that Reference Bank to prime banks in the Singapore inter-bank market at or about the relevant time on the relevant Distribution Determination Date;

Premium = the premium that would have been paid by that Reference Bank in buying U.S. dollars forward in exchange for Singapore dollars on the last day of the Distribution Period concerned in the Singapore inter-bank market;

Discount = the discount that would have been received by that Reference Bank in buying U.S. dollars forward in exchange for Singapore dollars on the last day of the Distribution Period concerned in the Singapore inter-bank market; and

T = the number of days in the Distribution Period concerned;

(dd) if on any Distribution Determination Date two but not all of the Reference Banks provide the Calculation Agent with quotations of their Swap Rate(s), the Average Swap Rate shall be determined in accordance with (cc) above on the basis of the quotations of those Reference Banks providing such quotations; and

(ee) if on any Distribution Determination Date one only or none of the Reference Banks provides the Calculation Agent with quotations of their Swap Rate(s), the Average Swap Rate shall be 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 quoted by the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about the relevant time on such Distribution Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Distribution Period, in an amount equal to the aggregate nominal amount of the relevant Floating Rate Perpetual Securities for such Distribution Period by whatever means they determine to be most appropriate and the Rate of Distribution for the relevant Distribution Period shall be the Average Swap Rate (as so determined by the Calculation Agent), or if on such Distribution Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Distribution for the relevant Distribution Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the relevant time on such Distribution Determination Date plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any).

- (C) On the last day of each Distribution Period, the Issuer will pay distribution on each Floating Rate Perpetual Security to which such Distribution Period relates at the Rate of Distribution for such Distribution Period.
- (iv) If the Reference Rate from time to time in respect of Floating Rate Perpetual Securities is specified in the applicable Pricing Supplement as being other than LIBOR or EURIBOR or SIBOR or SOR, the Rate of Distribution in respect of such Perpetual Securities will be determined as provided in the applicable Pricing Supplement.

In the Conditions:

Reference Banks means, in the case of a determination of SIBOR or SOR, the principal Singapore offices of each of the three major banks in the Singapore interbank market, in each case selected by the Principal Paying Agent or as specified in the applicable Pricing Supplement;

Reference Rate means the rate specified in the applicable Pricing Supplement;

Relevant Screen Page means such page, section, caption, column or other part of a particular information service as may be specified in the applicable Pricing Supplement or such other page, section, caption, column or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate; and

relevant time means 11.00 a.m. (Singapore) time.

(c) *Minimum Rate of Distribution and/or Maximum Rate of Distribution*

If the applicable Pricing Supplement specifies a Minimum Rate of Distribution for any Distribution Period, then, in the event that the Rate of Distribution in respect of such Distribution Period determined in accordance with the provisions of Condition 4.2(b) (*Rate of Distribution*) above is less than such Minimum Rate of Distribution, the Rate of Distribution for such Distribution Period shall be such Minimum Rate of Distribution.

If the applicable Pricing Supplement specifies a Maximum Rate of Distribution for any Distribution Period, then, in the event that the Rate of Distribution in respect of such Distribution Period determined in accordance with the provisions of Condition 4.2(b) (*Rate of Distribution*) above is greater than such Maximum Rate of Distribution, the Rate of Distribution for such Distribution Period shall be such Maximum Rate of Distribution.

(d) *Determination of Rate of Distribution and calculation of Distribution Amounts*

The Calculation Agent will at or as soon as practicable after each time at which the Rate of Distribution is to be determined, determine the Rate of Distribution for the relevant Distribution Period. The Calculation Agent will notify the Principal Paying Agent of the Rate of Distribution for the relevant Distribution Period as soon as practicable after calculating the same.

The Calculation Agent will calculate the amount of distribution (the **Distribution Amount**) payable on the Floating Rate Perpetual Securities or Index Linked Distribution Perpetual Securities for the relevant Distribution Period by applying the Rate of Distribution to:

- (A) in the case of Floating Rate Perpetual Securities or Index Linked Distribution Perpetual Securities which are represented by a Global Perpetual Security, the aggregate outstanding nominal amount of the Perpetual Securities represented by such Global Perpetual Security (or, if they are Partly Paid Perpetual Securities, the aggregate amount paid up); or

- (B) in the case of Floating Rate Perpetual Securities or Index Linked Distribution Perpetual Securities in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Perpetual Security or an Index Linked Distribution Perpetual Security in definitive form is a multiple of the Calculation Amount, the Distribution Amount payable in respect of such Perpetual Security shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of distribution in accordance with this Condition 4.2 (*Distribution on Floating Rate Perpetual Securities and Index Linked Distribution Perpetual Securities*):

- (i) if “**Actual/Actual (ISDA)**” or “**Actual/Actual**” is specified in the applicable Pricing Supplement, the actual number of days in the Distribution Period divided by 365 (or, if any portion of that Distribution Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Distribution Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Distribution Period falling in a non-leap year divided by 365);
- (ii) if “**Actual/365 (Fixed)**” is specified in the applicable Pricing Supplement, the actual number of days in the Distribution Period divided by 365;
- (iii) if “**Actual/365 (Sterling)**” is specified in the applicable Pricing Supplement, the actual number of days in the Distribution Period divided by 365 or, in the case of a Distribution Payment Date falling in a leap year, 366;
- (iv) if “**Actual/360**” is specified in the applicable Pricing Supplement, the actual number of days in the Distribution Period divided by 360;
- (v) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified in the applicable Pricing Supplement, the number of days in the Distribution Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Distribution Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Distribution Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Distribution Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Distribution Period falls;

“D₁” is the first calendar day, expressed as a number, of the Distribution Period, unless such number is 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Distribution Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (vi) if “**30E/360**” or “**Eurobond Basis**” is specified in the applicable Pricing Supplement, the number of days in the Distribution Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Distribution Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Distribution Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Distribution Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Distribution Period falls;

“D₁” is the first calendar day, expressed as a number, of the Distribution Period, unless such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Distribution Period, unless such number would be 31, in which case D₂ will be 30; and

- (vii) if “**30E/360 (ISDA)**” is specified in the applicable Pricing Supplement, the number of days in the Distribution Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Distribution Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Distribution Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Distribution Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Distribution Period falls;

“D₁” is the first calendar day, expressed as a number, of the Distribution Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Distribution Period, unless (i) that day is the last day of February but not the due date for redemption or (ii) such number would be 31, in which case D₂ will be 30.

(e) *Notification of Rate of Distribution and Distribution Amounts*

The Principal Paying Agent, the CDP Paying Agent or the CMU Lodging and Paying Agent will cause the Rate of Distribution and each Distribution Amount for each Distribution Period and the relevant Distribution Payment Date to be notified to the Issuer, the Trustee and (in the case of Perpetual Securities listed on a stock exchange) the relevant stock exchange (subject to receiving the contact details of the relevant stock exchange from the Issuer) on which the relevant Floating Rate Perpetual Securities or Index Linked Distribution Perpetual Securities are for the time being listed and notice thereof to be published in accordance with Condition 13 (*Notices*) as soon as practicable after their determination. Each Distribution Amount and Distribution Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Distribution Period. Any such amendment will be promptly notified by the Principal Paying Agent, the CDP Paying Agent or the CMU Lodging and Paying Agent to the Issuer, the Trustee and (in the case of Perpetual Securities listed on a stock exchange) to each stock exchange on which the relevant Floating Rate Perpetual Securities or Index Linked Distribution Perpetual Securities are for the time being listed and to the Securityholders in accordance with Condition 13 (*Notices*).

(f) *Determination or Calculation by Trustee*

If for any reason at any relevant time the Calculation Agent defaults in its obligation to determine the Rate of Distribution or the Calculation Agent defaults in its obligation to calculate any Distribution Amount in accordance with Condition 4.2(b)(i), Condition 4.2(b)(ii) or Condition 4.2(b)(iii) above (as the case may be) or as otherwise specified in the applicable Pricing Supplement, as the case may be, and in each case in accordance with Condition 4.2(d) above and no replacement Calculation Agent has been appointed by the Issuer within two Business Days of the relevant Interest Payment Date, the Trustee shall determine the Rate of Distribution at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any Minimum Rate of Distribution or Maximum Rate of Distribution specified in the applicable Pricing Supplement), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Trustee shall calculate the Distribution Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Calculation Agent.

(g) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4.2 (*Distribution on Floating Rate Perpetual Securities and Index Linked Distribution Perpetual Securities*), whether by the Calculation Agent or the Trustee, shall (in the absence of wilful default or manifest error) be binding on the Issuer, the Guarantor, the Trustee, the Principal Paying Agent, the Transfer Agents (if applicable), the CMU Lodging and Paying Agent (if applicable), the CDP Paying Agent (if applicable), the Registrar (if applicable), the Calculation Agent (if applicable), the other Paying Agents and all Securityholders and Couponholders and (in the absence of wilful default or manifest error) no liability to the Issuer, the Guarantor, the Securityholders or the Couponholders shall attach to the Calculation Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

4.3 Distribution on Dual Currency Distribution Perpetual Securities

The rate or amount of distribution payable in respect of Dual Currency Distribution Perpetual Securities shall be determined in the manner specified in the applicable Pricing Supplement.

4.4 Distribution on Partly Paid Perpetual Securities

In the case of Partly Paid Perpetual Securities, distribution will accrue as aforesaid on the paid-up nominal amount of such Perpetual Securities and otherwise as specified in the applicable Pricing Supplement.

4.5 Accrual of distribution

Each Perpetual Security (or in the case of the redemption of part only of a Perpetual Security, that part only of such Perpetual Security) will cease to bear distribution (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, distribution will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Perpetual Security have been paid; and
- (b) as provided in the Trust Deed.

4.6 Distribution Deferral

(a) **Optional Deferral:** If Distribution Deferral is specified as being applicable in the applicable Pricing Supplement, the Issuer may, at its sole discretion, elect to defer (in whole or in part) any distribution which is otherwise scheduled to be paid on a Distribution Payment Date to the next Distribution Payment Date by giving notice (a **Deferral Election Notice**) to the Securityholders (in accordance with Condition 13 (*Notices*)) and the Trustee and the Principal Paying Agent not more than 15 nor less than five Business Days (or such other notice period as may be specified in the applicable Pricing Supplement) prior to a scheduled Distribution Payment Date. If Dividend Pusher is specified as being applicable in the applicable Pricing Supplement, the Issuer may not elect to defer any distribution if, during such period(s) as may be specified in the applicable Pricing Supplement, either or both of the following have occurred:

- (A) a discretionary dividend, distribution or other payment has been declared by the Guarantor on or in respect of any of the Junior Obligations (as defined in the applicable Pricing Supplement) or, in relation to Subordinated Perpetual Securities only, the Parity Obligations of the Guarantor (except (i) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants or (ii) in relation to the Parity Obligations of the Guarantor on a pro-rata basis); or
- (B) the Issuer or the Guarantor has at its discretion repurchased, redeemed or otherwise acquired any of its Junior Obligations or, in relation to Subordinated Perpetual Securities only, the Parity Obligations (other than (i) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants or (ii) as a result of the exchange or conversion of its Parity Obligations for its Junior Obligations),

(a **Compulsory Distribution Payment Event**) and/or as otherwise specified in the applicable Pricing Supplement.

- (b) **No obligation to pay:** The Issuer shall have no obligation to pay any distribution (including any Arrears of Distribution and any Additional Distribution Amount) on any Distribution Payment Date if it validly elects not to do so in accordance with Condition 4.6(a) (*Optional Deferral*).
- (c) **Requirements as to Notice:** Each Deferral Election Notice shall be accompanied, in the case of the notice to the Trustee and the Principal Paying Agent and if Dividend Pusher is specified as being applicable in the applicable Pricing Supplement, by a certificate in the form scheduled to the Trust Deed signed by a director of each of the Issuer and the Guarantor confirming that no Compulsory Distribution Payment Event has occurred. Any such certificate shall be conclusive evidence that no Compulsory Distribution Payment Event has occurred and the Trustee and the Principal Paying Agent shall be entitled to rely without any obligation to verify the same and without liability to any Securityholder or Couponholder or any other person on any Deferral Election Notice or any certificate as aforementioned. Each Deferral Election Notice shall be conclusive and binding on the Securityholders and the Couponholders.
- (d) (1) **Cumulative Deferral:** If Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement, any distribution deferred pursuant to this Condition 4.6 (*Distribution Deferral*) shall constitute **Arrears of Distribution**. The Issuer may, at its sole discretion, elect to (in the circumstances set out in Condition 4.6(a) (*Optional Deferral*)) 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 4.6 (*Distribution Deferral*) except that this Condition 4.6(d) (*Cumulative Deferral*) shall be complied with until all outstanding Arrears of Distribution have been paid in full.

If Additional Distribution is specified as being applicable in the applicable Pricing Supplement, each amount of Arrears of Distribution shall bear distribution as if it constituted the principal of the Perpetual Securities at the Rate of Distribution and the amount of such distribution (the **Additional Distribution Amount**) with respect to Arrears of Distribution shall be due and payable pursuant to this Condition 4 (*Distributions and Other Calculations*) and shall be calculated by applying the applicable Rate of Distribution to the amount of the Arrears of Distribution and otherwise *mutatis mutandis* as provided in the foregoing provisions of this Condition 4 (*Distributions and Other Calculations*). 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.

- (2) **Non-Cumulative Deferral; Optional Distribution:** If Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement, any Distribution deferred pursuant to this Condition 4.6 (*Distribution Deferral*) is non-cumulative and will not accrue distribution. The Issuer is not under any obligation to pay that or any other distributions that have not been paid in whole or in part. If Optional Distribution is specified as being applicable in the applicable Pricing Supplement, the Issuer may, at its sole discretion, and at any time, elect to pay an optional amount equal to the amount of distribution which is unpaid in whole or in part (an **Optional Distribution**) at any time by giving notice of such election to the Securityholders (in accordance with Condition 13 (*Notices*)) and the Trustee and the Principal Paying Agent not more than 20 nor less than five Business Days (or such other notice period as may be specified in the applicable

Pricing Supplement) prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Optional Distribution on the payment date specified in such notice).

Any partial payment of outstanding Optional Distribution by the Issuer shall be shared by the Securityholders or Couponholders of all outstanding Perpetual Securities and the Coupons related to them on a pro-rata basis. Further provisions relating to this Condition 4.6(d)(2) (*Non-Cumulative Distribution; Optional Distribution*) may be specified in the applicable Pricing Supplement.

(e) **Restrictions in the case of Deferral:** If Dividend Stopper is specified as being applicable in the applicable Pricing Supplement and on any Distribution Payment Date, payment of all distribution payments scheduled to be made on such date is not made in full by reason of this Condition 4.6 (*Distribution Deferral*), the Issuer and the Guarantor shall not:

(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:

(1) if this Perpetual Security is a Senior Perpetual Security, any of its Junior Obligations; or

(2) if this Perpetual Security is a Subordinated Perpetual Security, any of its Junior Obligations or Parity Obligations

(except (i) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants or (ii) in relation to the Parity Obligations on a pro-rata basis); or

(B) redeem, reduce, cancel, buy-back or acquire for any consideration:

(1) if this Perpetual Security is a Senior Perpetual Security, any of its Junior Obligations; or

(2) if this Perpetual Security is a Subordinated Perpetual Security, any of its Junior Obligations or Parity Obligations

(other than (i) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants or (ii) as a result of the exchange or conversion of Parity Obligations for Junior Obligations),

in each case, unless and until the Issuer or the Guarantor (as the case may be) (aa) (if Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) has satisfied in full all outstanding Arrears of Distribution; (bb) (if Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) a redemption of all the outstanding Perpetual Securities in accordance with Condition 5 (*Redemption and Purchase*) has occurred, the next scheduled distribution has been paid in full, or an Optional Distribution equal to the amount of a distribution payable with respect to the most recent Distribution Payment Date that was unpaid in full or in part, has been paid in full; or (cc) is permitted to do so by an Extraordinary Resolution (as defined in the Trust Deed) of the Securityholders, and/or as otherwise specified in the applicable Pricing Supplement.

- (f) **Satisfaction of Arrears of Distribution by payment:** The Issuer:
- (A) may satisfy any Arrears of Distribution (in whole or in part) at any time by giving notice of such election to the Securityholders (in accordance with Condition 13 (*Notices*)) and the Trustee and the Principal Paying Agent not more than 20 nor less than five Business Days (or such other notice period as may be specified in the applicable Pricing Supplement) 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
 - (B) in any event shall satisfy any outstanding Arrears of Distribution (in whole but not in part) on the earlier of:
 - (1) the date of redemption of the Perpetual Securities in accordance with the redemption events set out in Condition 5 (*Redemption and Purchase*) (as applicable);
 - (2) the next Distribution Payment Date on the occurrence of a breach of Condition 4.6(e) (*Restrictions in the case of Deferral*) or the occurrence of a Compulsory Distribution Payment Event; and
 - (3) the date such amount becomes due under Condition 9 (*Non-Payment*) or on a Winding-Up of the Issuer or the Guarantor.

Any partial payment of outstanding Arrears of Distribution by the Issuer shall be shared by the Securityholders or Couponholders of all outstanding Perpetual Securities and the Coupons related to them on a pro-rata basis. Further provisions relating to this Condition 4.6(f) (*Satisfaction of Arrears of Distribution by payment*) may be specified in the applicable Pricing Supplement.

- (g) **No default:** Notwithstanding any other provision in these Conditions or in the Trust Deed, the deferral of any distribution payment in accordance with this Condition 4.6 (*Distribution Deferral*) shall not constitute a default for any purpose (including, without limitation, pursuant to Condition 9 (*Non-Payment*)) on the part of the Issuer under the Perpetual Securities or the Guarantor under the Guarantee (as defined in the Trust Deed) or for any other purpose.

5. REDEMPTION AND PURCHASE

- (a) **No Fixed Redemption Date:** The Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Condition 3 (*Status of the Perpetual Securities and the Guarantee in respect of the Perpetual Securities*)) and without prejudice to Condition 9 (*Non-Payment*), only have the right to redeem or purchase them in accordance with the following provisions of this Condition 5 (*Redemption and Purchase*).
- (b) **Redemption for Taxation Reasons:** The Perpetual 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 Trustee and the Principal Paying Agent, the CDP Paying Agent or the CMU Lodging and Paying Agent, as the case may be, and in accordance with Condition 13 (*Notices*), the Securityholders (which notice shall be irrevocable) at their Early Redemption Amount as specified in the applicable Pricing Supplement together (if appropriate) with distribution accrued to (but excluding) the date of redemption (including any Arrears of Distribution and any Additional Distribution Amount, if applicable) if (i) the Issuer (or if the Guarantee was called, the

Guarantor) has or will become obliged to pay additional amounts provided or referred to in Condition 7 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the jurisdiction of incorporation of the Issuer or the Guarantor or any political subdivision or, in each case, any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a decision of a court of competent jurisdiction) which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Perpetual Securities or the Perpetual 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 distributions will not be regarded as interest payable by the Issuer for the purpose of the withholding tax exemption on interest for “qualifying debt securities” under the ITA or distributions 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, and (ii) such obligation will apply on the occasion of the next payment due in respect of the Perpetual Securities and cannot be avoided by the Issuer (or the Guarantor, as the case may be) 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 (or the Guarantor, as the case may be) would be obliged to pay such additional amounts if a payment in respect of the Perpetual Securities (or the Guarantee, as the case may be) were then due. Prior to the publication of any notice of redemption pursuant to this Condition 5(b) (*Redemption for Taxation Reasons*), the Issuer (or the Guarantor, as the case may be) shall deliver to the Trustee a certificate signed by a director of the Issuer (or the Guarantor, as the case may be) stating that the obligation referred to in (i) above cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, and an opinion, addressed to the Trustee, of independent legal or tax advisers of recognised standing to the effect that such change or amendment has occurred (irrespective of whether such amendment or change is then effective). The Trustee shall be entitled without further enquiry and without liability to any Securityholder or Couponholder or any other person to rely on such certificate and opinion and it shall be conclusive evidence of the satisfaction of the conditions precedent set out in (i) and (ii) above of this Condition 5(b) (*Redemption for Taxation Reasons*). Each such certificate and opinion shall be conclusive and binding on Securityholders and Couponholders. All Perpetual Securities shall be redeemed on the date specified in such notice in accordance with this Condition 5(b) (*Redemption for Taxation Reasons*).

- (c) **Redemption for Accounting Reasons:** If Redemption for Accounting Reasons is specified as being applicable in the applicable Pricing Supplement, the Perpetual 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 Trustee and the Principal Paying Agent, the CDP Paying Agent or the CMU Lodging and Paying Agent, as the case may be, and in accordance with Condition 13 (*Notices*), the Securityholders (which notice shall be irrevocable) at their Early Redemption Amount, as specified in the applicable Pricing Supplement, together (if appropriate) with distribution accrued to the date of redemption (including any Arrears of Distribution and any Additional Distribution Amount, if applicable) if, as a result of any changes or amendments to, where applicable, Singapore Financial Reporting Standards issued by the Singapore Accounting Standards Council as amended from time to time (**SFRS**) or any other accounting standards that may replace SFRS for the purposes of the consolidated financial statements of the Guarantor as amended from time to time (the **Relevant Accounting Standards**), the Perpetual Securities and/or the Guarantee of the Perpetual Securities must not or must no longer be recorded as “equity” of the Issuer or the Guarantor pursuant to the Relevant Accounting Standards.

Prior to the publication of any notice of redemption pursuant to this Condition 5(c) (*Redemption for Accounting Reasons*), the Issuer (or the Guarantor, as the case may be) shall deliver to the Trustee a certificate signed by a director of the Issuer (or the Guarantor,

as the case may be), stating that the circumstances referred to above prevail and setting out the details of such circumstances and an opinion, addressed to the Trustee, of the Issuer's or, as the case may be, the Guarantor'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 Standards is due to take effect. The Trustee shall be entitled without further enquiry and without liability to any Securityholder or Couponholder or any other person to rely on such certificate and opinion and it shall be conclusive evidence of the satisfaction of the entitlement of the Issuer to publish a notice of redemption pursuant to this Condition 5(c) (*Redemption for Accounting Reasons*). Each such certificate and opinion shall be conclusive and binding on Securityholders and Couponholders. All Perpetual Securities shall be redeemed on the date specified in such notice in accordance with this Condition 5(c) (*Redemption for Accounting Reasons*), provided that such date for redemption shall be no earlier than the last day before the date on which the Perpetual Securities must not or must no longer be so recorded as "equity" of the Issuer or, as the case may be, Guarantor pursuant to the Relevant Accounting Standards.

- (d) **Redemption at the Option of the Issuer:** If Redemption at the Option of the Issuer is specified as being applicable in the applicable Pricing Supplement, the Issuer may, on giving not less than 30 nor more than 60 days' irrevocable notice to the Trustee and the Principal Paying Agent, the CDP Paying Agent or the CMU Lodging and Paying Agent, as the case may be, and in accordance with Condition 13 (*Notices*), the Securityholders (or such other notice period as may be specified in the applicable Pricing Supplement) redeem all, or if so provided, some of the Perpetual Securities on any Optional Redemption Date at the Early Redemption Amount as specified in the applicable Pricing Supplement, together, if appropriate with distribution accrued to (but excluding) the relevant Optional Redemption Date (including any Arrears of Distribution and any Additional Distribution Amount, if applicable). Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Pricing Supplement. In the case of a partial redemption of Definitive Bearer Perpetual Securities or Definitive Registered Perpetual Securities, the Perpetual Securities to be redeemed (**Redeemed Perpetual Securities**) will be selected individually by lot, in the case of Redeemed Perpetual Securities represented by Definitive Bearer Perpetual Securities or Definitive Registered Perpetual Securities, and in accordance with the rules of Euroclear, Clearstream, Luxembourg, CDP and/or the CMU Service (as applicable), in the case of Redeemed Perpetual Securities represented by a Global Perpetual Security, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Perpetual Securities represented by definitive Perpetual Securities, a list of the serial numbers of such Redeemed Perpetual Securities will be published in accordance with Condition 13 (*Notices*) not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Perpetual Security will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 5(d) (*Redemption at the Option of the Issuer*) and notice to that effect shall be given by the Issuer to the Securityholders in accordance with Condition 13 (*Notices*) at least five days prior to the Selection Date. All Perpetual 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(d) (*Redemption at the Option of the Issuer*).
- (e) **Redemption for Tax Deductibility Event:** If Redemption for Tax Deductibility Event is specified as being applicable in the applicable Pricing Supplement, the Perpetual 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 Trustee and the Principal Paying Agent, the CDP Paying Agent or the CMU Lodging and Paying Agent, as the case may be, and in accordance with Condition 13 (*Notices*), the

Securityholders (which notice shall be irrevocable), at their Early Redemption Amount as specified in the applicable Pricing Supplement, together, if appropriate, with distribution accrued to (but excluding) the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount, if applicable), if, the Issuer satisfies the Trustee (by delivery of the documents set out below in this Condition 5(e) (*Redemption for Tax Deductibility Event*)) immediately before giving such notice that, 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 date on which agreement is reached to issue the first Tranche of the Perpetual Securities;
- (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 date on which agreement is reached to issue the first Tranche of the Perpetual Securities; or
- (iii) any applicable official interpretation or pronouncement that provides for a position with respect to such laws or regulations that differs from the previous generally accepted interpretation or position which is issued or announced on or after the date on which agreement is reached to issue the first Tranche of the Perpetual Securities or from the position advised by the Issuer's tax advisers before the date on which an agreement is reached to issue the first Tranche of the Perpetual Securities,

payments by the Issuer would no longer, or within 90 days of the date of the opinion referred to in paragraph (y) below would not be fully deductible by the Issuer for Singapore income tax purposes (**Tax Deductibility Event**), provided that no notice of redemption may be given earlier than 90 days prior to the effective date on which payments on the Perpetual Securities would not be fully tax deductible by the Issuer for Singapore profits tax.

Prior to the publication of any notice of redemption pursuant to this Condition 5(e) (*Redemption for Tax Deductibility Event*), the Issuer shall deliver or procure that there is delivered to the Trustee (x) a certificate signed by a director of the Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances and (y) an opinion of independent tax or legal advisers 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 is due to take effect, and the Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above in which event it shall be conclusive and binding on the Securityholders and the Couponholders.

- (f) **Redemption in the case of Minimal Outstanding Amount:** If Minimal Outstanding Amount Redemption Option is specified as being applicable in the applicable Pricing Supplement, the Issuer may, at any time, on giving not less than 30 nor more than 60 days' irrevocable notice to the Trustee and the Principal Paying Agent, the CDP Paying Agent or the CMU Lodging and Paying Agent, as the case may be, and in accordance with Condition 13 (*Notices*), the Securityholders (or such other notice period as may be specified in the applicable Pricing Supplement) redeem the Perpetual Securities, in whole, but not in part, at their Early Redemption Amount as specified in the applicable

Pricing Supplement together (if appropriate) with distribution accrued to the date of redemption (including any Arrears of Distribution and any Additional Distribution Amount, if applicable) if, immediately before giving such notice, the aggregate principal amount of the Perpetual Securities outstanding is less than 10 per cent. of the aggregate principal amount originally issued. All Perpetual Securities shall be redeemed on the date specified in such notice in accordance with this Condition 5(f) (*Redemption in the case of Minimal Outstanding Amount*).

- (g) **Partly Paid Perpetual Securities:** Partly Paid Perpetual Securities will be redeemed, in accordance with the provisions of this Condition and the applicable Pricing Supplement.
- (h) **No Other Redemption:** The Issuer shall not be entitled to redeem the Perpetual Securities and shall have no obligation to make any payment of principal in respect of the Perpetual Securities otherwise than as provided in Condition 5(b) (*Redemption for Taxation Reasons*) and, to the extent specified in the applicable Pricing Supplement, in Conditions 5(c) (*Redemption for Accounting Reasons*), 5(d) (*Redemption at the Option of the Issuer*), 5(e) (*Redemption for Tax Deductibility Event*), 5(f) (*Redemption in the case of Minimal Outstanding Amount*) or 5(g) (*Partly Paid Perpetual Securities*), and as otherwise specified in the applicable Pricing Supplement.
- (i) **Purchases:** The Issuer, the Guarantor or any Subsidiary may at any time purchase Perpetual Securities (provided that, in the case of Definitive Bearer Perpetual Securities, all unmatured Coupons and Talons appertaining thereto are purchased therewith) in any manner and at any price in the open market or otherwise. All such Perpetual Securities may be held, reissued, resold, or at the option of the Issuer, surrendered to any Paying Agent (in the case of Bearer Perpetual Securities) or the Registrar (in the case of Registered Perpetual Securities) for cancellation.
- (j) **Cancellation:** All Perpetual Securities which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Perpetual Securities so cancelled and any Perpetual Securities purchased and cancelled pursuant to Condition 5(i) (*Purchases*) above (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold. Subject as provided in Condition 8 (*Prescription*), the obligations of the Issuer and the Guarantor in respect of such cancelled Perpetual Securities shall be discharged.

6. PAYMENTS

6.1 Method of payment

Subject as provided below:

- (a) payments in a Specified Currency other than euro and Renminbi will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively);
- (b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque; and
- (c) payments in Renminbi will be made by transfer to a Renminbi account maintained by or on behalf of the relevant Securityholder with a bank in Hong Kong.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*).

For the purpose of the Conditions, the term **Renminbi** means the lawful currency of the People's Republic of China.

6.2 Presentation of Definitive Bearer Perpetual Securities and Coupons

Payments of principal in respect of Definitive Bearer Perpetual Securities other than Perpetual Securities held in the CMU Service will (subject as provided below) be made in the manner provided in Condition 6.1 (*Method of payment*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Definitive Bearer Perpetual Securities, and payments of distribution in respect of Definitive Bearer Perpetual Securities will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Perpetual Securities in definitive bearer form other than Perpetual Securities held in the CMU Service (other than Dual Currency Perpetual Securities or Index Linked Perpetual Securities) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7 (*Taxation*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8 (*Prescription*)) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Perpetual Security in definitive bearer form becoming due and repayable, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Perpetual Security, Dual Currency Perpetual Security or Index Linked Perpetual Security in definitive bearer form other than Perpetual Securities held in the CMU Service becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

In the case of Definitive Bearer Perpetual Securities held in the CMU Service, payment will be made to the person(s) for whose account(s) interests in the relevant Definitive Bearer Perpetual Security are credited as being held with the CMU Service in accordance with the CMU Rules at the relevant time as notified to the CMU Lodging and Paying Agent by the CMU Service in a relevant CMU Instrument Position Report or any relevant notification by the CMU Service, which notification shall be conclusive evidence of the records of the CMU Service (save in the case of manifest error) and payment made in accordance thereof shall discharge the obligations of the Issuer in respect of that payment.

If the due date for redemption of any Definitive Bearer Perpetual Security is not a Distribution Payment Date, distribution (if any) accrued in respect of such Perpetual Security from (and including) the preceding Distribution Payment Date or, as the case may be, the Distribution Commencement Date shall be payable only against surrender of the relevant Definitive Bearer Perpetual Security.

6.3 Payments in respect of Bearer Global Perpetual Securities

Payments of principal and distribution (if any) in respect of Bearer Perpetual Securities represented by any Global Perpetual Security will (subject as provided below) be made in the manner specified above in relation to Definitive Bearer Perpetual Securities or otherwise in the manner specified in the relevant Global Perpetual Security (i) in the case of a Bearer Global Perpetual Security not lodged with the CMU Service, against presentation or surrender, as the case may be, of such Global Perpetual Security at the specified office of any Paying Agent outside the United States, or (ii) in the case of a Bearer Global Perpetual Security lodged with the CMU Service, to the person(s) for whose account(s) distributions in the relevant Bearer Global Perpetual Securities are credited as being held by the CMU Service in accordance with the CMU Rules. A record of each payment made against presentation or surrender of any Bearer Global Perpetual Security, distinguishing between any payment of principal and any payment of distribution, will be made on such Bearer Global Perpetual Security (in the case of a Bearer Global Perpetual Security not lodged with the CMU Service) by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable or (in the case of a Bearer Global Perpetual Security lodged with the CMU Service) on withdrawal of such Bearer Global Perpetual Security by the CMU Lodging and Paying Agent.

6.4 Payments in respect of Registered Perpetual Securities

Payments of principal in respect of each Registered Perpetual Security (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Perpetual Security at the specified office of the Registrar or any Paying Agent. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Perpetual Security appearing in the register of holders of the Registered Perpetual Securities maintained by the Registrar (the **Register**) (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear, Clearstream, Luxembourg, CDP or, as the case may be, the CMU Service, are open for business) before the relevant due date and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if (a) a holder does not have a Designated Account or (b) the principal amount of the Perpetual Securities held by a holder is less than U.S.\$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, **Designated Account** means the account (which, in the case of a payment in Japanese yen to a non resident of Japan, shall be a non resident account) maintained by a holder with a Designated Bank and identified as such in the Register and **Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of distribution in respect of each Registered Perpetual Security (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Perpetual Security appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear, Clearstream, Luxembourg, CDP or, as the case may be, the CMU Service are open for business) before the relevant due date and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day)

before the relevant due date (the **Record Date**) at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of distribution in respect of a Registered Perpetual Security, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of distribution (other than distribution due on redemption) in respect of the Registered Perpetual Securities which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the distribution due in respect of each Registered Perpetual Security on redemption will be made in the same manner as payment of the principal amount of such Registered Perpetual Security.

In the case of Definitive Registered Perpetual Security or Registered Global Perpetual Security held through the CMU Service, payment will be made at the direction of the registered holder to the CMU Accountholders and such payment shall discharge the obligation of the Issuer in respect of that payment.

Holders of Registered Perpetual Securities will not be entitled to any distribution or other payment for any delay in receiving any amount due in respect of any Registered Perpetual Security as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or distribution in respect of the Registered Perpetual Securities.

None of the Issuer, the Guarantor, the Trustee or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Perpetual Securities or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

6.5 General provisions applicable to payments

The holder of a Global Perpetual Security (if the Global Perpetual Security is not lodged with the CMU Service) or (if the Global Perpetual Security is lodged with the CMU Service) the person(s) for whose account(s) interests in such Global Perpetual Security are credited as being held in the CMU Service in accordance with the CMU Rules as notified to the CMU Lodging and Paying Agent by CMU Service in a relevant CMU Instrument Position Report or any other relevant notification by the CMU Service (which notification, in either case, shall be conclusive evidence of the records of the CMU Service save in the case of manifest error), shall be the only person entitled to receive payments in respect of Perpetual Securities represented by such Global Perpetual Security and the Issuer or, as the case may be, the Guarantor will be discharged by payment to, or to the order of, the holder of such Global Perpetual Security in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg, CDP or the CMU Service, as the beneficial holder of a particular nominal amount of Perpetual Securities represented by such Global Perpetual Security must look solely to Euroclear, Clearstream, Luxembourg, CDP or the CMU Lodging and Paying Agent, as the case may be, for his share of each payment so made by the Issuer or, as the case may be, the Guarantor to, or to the order of, the holder of such Global Perpetual Security.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or distribution in respect of Perpetual Securities is payable in U.S. dollars, such U.S. dollar payments of principal and/or distribution in respect of such Perpetual Securities will be made at the specified office of a Paying Agent in the United States if:

- (a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and distribution on the Perpetual Securities in the manner provided above when due;

- (b) payment of the full amount of such principal and distribution at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and distribution in U.S. dollars; and
- (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer and the Guarantor, adverse tax consequences to the Issuer or the Guarantor.

6.6 Payment Day

If the date for payment of any amount in respect of any Perpetual Security or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further distribution or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 8 (*Prescription*)) is:

- (a) in the case of Perpetual Securities denominated in a Specified Currency other than Renminbi:
 - (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (A) in the case of Perpetual Securities in definitive form only, the relevant place of presentation;
 - (B) each Additional Financial Centre specified in the applicable Pricing Supplement; and
 - (ii) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET2 System is open; and
- (b) in the case of Perpetual Securities or Coupons denominated in Renminbi, a day on which commercial banks and foreign exchange markets settle Renminbi payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in (i) the case of Perpetual Securities in definitive form only, the relevant place of presentation and (ii) Hong Kong.

6.7 Delays in payment or non-payment in certain other circumstances

Notwithstanding Condition 9(b), in the event that:

- (a) the Issuer and/or the Guarantor shall have duly transferred or arranged for the transfer of funds to the Agents in accordance with the terms of the Agency Agreement sufficient for the purpose of payment in full to the holders of Perpetual Securities and/or Coupons of, or otherwise duly transferred or arranged for the transfer such funds to the Trustee in accordance with the terms of the Trust Deed in satisfaction of, all the amounts due and payable on the relevant due date for payment; and

- (b) the Agents or the Trustee, or their respective delegates intercept and investigate transactions on the Issuer's and/or the Guarantor's accounts including the source of the intended recipient of funds paid into or out of the Issuer's and/or the Guarantor's accounts, in order to comply with applicable law, regulation, requests of a public or regulatory authority or any internal group policy which relates to the prevention of fraud, money laundering, terrorism or other criminal activities or the provision of financial and other services to sanctioned persons or entities (the **Prohibited Activities**); and
- (c) such action causes a delay in the processing of the Issuer's and/or the Guarantor's instructions, the settlement of transactions over the Issuer's and/or the Guarantor's accounts or the Agents' or Trustee's performance of their respective obligations under the Agency Agreement and the Trust Deed; and
- (d) such action results in a delay in payment or non-payment by Issuer and/or the Guarantor of the amounts due on the due date for payment of the Perpetual Securities and/or Coupons,

such delay in payment or non-payment on the due date by Issuer and/or the Guarantor of such amounts due on the due date for payment shall not constitute a default in payment of any principal or distribution, as the case may be, due by the Issuer and/or the Guarantor, and shall not entitle holder thereof to further distribution or other payment in respect of such delay in payment or non-payment on the due date for payment, unless a court of competent jurisdiction or relevant public or regulatory authority shall have determined that such funds transferred by the Issuer and/or the Guarantor do relate to the Prohibited Activities and in such event a default in payment shall be deemed to have occurred and distribution shall accrue and be payable by the Issuer or the Guarantor, as the case may be, on the outstanding amounts due in accordance with the Conditions and the Trust Deed from the original due date for payment.

6.8 Interpretation of principal and distribution

Any reference in the Conditions to principal in respect of the Perpetual Securities shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 7 (*Taxation*) or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;
- (b) the Early Redemption Amount of the Perpetual Securities; and
- (c) any premium and any other amounts (other than distribution) which may be payable by the Issuer under or in respect of the Perpetual Securities.

Any reference in the Conditions to distribution in respect of the Perpetual Securities shall be deemed to include, as applicable, any additional amounts which may be payable with respect to distribution under Condition 7 (*Taxation*) or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

7. TAXATION

All payments of principal and distribution in respect of the Perpetual Securities and Coupons by the Issuer or the Guarantor will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by

law. In such event, the Issuer or, as the case may be, the Guarantor will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Perpetual Securities or Coupons after such withholding or deduction shall equal the respective amounts of principal and distribution which would otherwise have been receivable in respect of the Perpetual Securities or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Perpetual Security or Coupon:

- (a) presented for payment in any Tax Jurisdiction; or
- (b) the holder of which is liable for such taxes or duties in respect of such Perpetual Security, or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Perpetual Security or Coupon or by the receipt of amounts in respect of such Perpetual Security or Coupon or where the withholding or deduction could be avoided by the holder making a declaration of non-residence or other similar claim for exemption to the appropriate authority which such holder is legally capable and competent of making but fails to do so; or
- (c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6.6 (*Payment Day*)); or
- (d) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (e) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Perpetual Security or Coupon to another Paying Agent in a Member State of the European Union.

As used herein:

- (i) **Tax Jurisdiction** means Singapore or any political subdivision or any authority thereof or therein having power to tax; and
- (ii) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Trustee or the Principal Paying Agent or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Securityholders in accordance with Condition 13 (*Notices*).

8. PRESCRIPTION

The Perpetual Securities and Coupons will become void unless claims in respect of principal and/or distribution are made within a period of ten years (in the case of principal) and five years (in the case of distribution) after the Relevant Date (as defined in Condition 7 (*Taxation*)) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6.2 (*Presentation of Definitive Bearer Perpetual Securities and Coupons*) or any Talon which would be void pursuant to Condition 6.2 (*Presentation of Definitive Bearer Perpetual Securities and Coupons*).

9. NON-PAYMENT

- (a) **Non-payment when due:** Notwithstanding any of the provisions below in this Condition 9 (*Non-Payment*), 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 to defer that distribution in accordance with Condition 4.6 (*Distribution Deferral*). In addition, nothing in this Condition 9 (*Non-Payment*), 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 and/or the Guarantor in respect of any costs, charges, fees, expenses or liabilities incurred by such party pursuant to or in connection with the Perpetual Securities, the Coupons or the Trust Deed.
- (b) **Proceedings for Winding-Up:** If (i) an order is made or an effective resolution is passed for the Winding-Up of the Issuer or the Guarantor or (ii) subject to Condition 6.7, the Issuer shall not make payment in respect of the Perpetual Securities or the Coupons or the Guarantor shall not make payment in respect of the Guarantee, as the case may be, for a period of 15 Business Days or more after the date on which such payment is due (together, the **Enforcement Events**), the Issuer (or, as the case may be, the Guarantor) shall be deemed to be in default under the Trust Deed and the Perpetual Securities (in the case of the Issuer) and the Guarantee (in the case of the Guarantor) and the Trustee may, subject to the provisions of Condition 9(d) (*Entitlement of Trustee*), institute proceedings for the Winding-Up of the Issuer or, as the case may be, the Guarantor and/or prove in the Winding-Up of the Issuer or, as the case may be, the Guarantor and/or claim in the liquidation of the Issuer and/or the Guarantor for such payment.
- (c) **Enforcement:** Without prejudice to Condition 9(b) (*Proceedings for Winding-Up*) but subject to the provisions of Condition 9(d) (*Entitlement of Trustee*), the Trustee may at any time, at its discretion and without further notice to the Issuer or the Guarantor institute such proceedings against the Issuer and/or the Guarantor as it may think fit to enforce any term or condition binding on the Issuer and/or the Guarantor under the Perpetual Securities or the Guarantee (other than any payment obligation of the Issuer or the Guarantor under or arising from the Perpetual Securities, the Coupons or the Guarantee, including, without limitation, payment of any principal or premium or satisfaction of any Distributions (including any Arrears of Distribution and any Additional Distribution Amount) in respect of the Perpetual Securities or the Guarantee, including any damages awarded for breach of any obligations) and in no event shall the Issuer or the Guarantor, 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:** Notwithstanding Condition 9(c) (*Enforcement*) above, the Trustee shall not and shall not be obliged to take any of the actions referred to in Condition 9(b) (*Proceedings for Winding-Up*) or Condition 9(c) (*Enforcement*) against the Issuer and/or the Guarantor to enforce the terms of the Trust Deed, the Guarantee, the Perpetual Securities or the Coupons unless (i) it shall have been so requested by an Extraordinary Resolution of the Securityholders or in writing by the Securityholders of at least 25 per cent. in principal amount of the Perpetual Securities then outstanding and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.
- (e) **Right of Securityholders:** No Securityholder or Couponholder shall be entitled to proceed directly against the Issuer or the Guarantor or to institute proceedings for the Winding-Up or claim in the liquidation of the Issuer and/or the Guarantor 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 or the Couponholder shall have only such rights against the Issuer and/or the Guarantor as those which the Trustee is entitled to exercise as set out in this Condition 9 (*Non-Payment*) and Clause 9 of the Trust Deed.

- (f) **Extent of Securityholders' or Couponholders' remedy:** No remedy against the Issuer or the Guarantor, other than as referred to in this Condition 9 (*Non-Payment*) and Clause 9 of the Trust Deed, shall be available to the Trustee or the Securityholders, whether for the recovery of amounts owing in respect of the Trust Deed, the Perpetual Securities, the Coupons or the Guarantee or in respect of any breach by the Issuer or the Guarantor of any of its other obligations under or in respect of the Trust Deed, the Perpetual Securities, the Coupons or the Guarantee (as applicable).

10. REPLACEMENT OF PERPETUAL SECURITIES, COUPONS AND TALONS

Should any Perpetual Security, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent, or as the case may be, the Registrar, upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer, the Principal Paying Agent or the Registrar may require. Mutilated or defaced Perpetual Securities, Coupons or Talons must be surrendered before replacements will be issued.

11. PAYING AGENTS AND REGISTRAR

The names of the initial Paying Agents and the Registrar and their initial specified offices are set out below.

The Issuer is entitled, with the prior written approval of the Trustee, (in accordance with the provisions of the Agency Agreement) to vary or terminate the appointment of the Registrar or any Paying Agent and/or appoint additional or other Paying Agents, Registrar or Transfer Agents and/or approve any change in the specified office through which any Paying Agent and/or Registrar and/or Transfer Agent acts, provided that:

- (a) there will at all times be a Principal Paying Agent and a Registrar;
- (b) so long as there are outstanding Perpetual Securities cleared through the CMU Service, a CMU Lodging and Paying Agent;
- (c) so long as there are outstanding Perpetual Securities cleared through CDP, a CDP Paying Agent;
- (d) so long as the Perpetual Securities are listed on any stock exchange or admitted to listing by any other relevant authority or entity, there will at all times be a Paying Agent, which may be the Principal Paying Agent, and a Transfer Agent, which may be the Registrar, with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority or entity; and
- (e) in the event that the Global Perpetual Security representing any Series of Perpetual Securities is exchanged for Perpetual Securities in definitive form, there will at all times be a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6.5 (*General provisions applicable to payments*). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 days' prior notice thereof shall have been given to the Securityholders in accordance with Condition 13 (*Notices*).

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and the Guarantor and, in certain circumstances specified therein, of the Trustee and do not assume any obligation or responsibility to, or relationship of agency or trust with, any Securityholders, Couponholders or any other third party. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its corporate trust business to become the successor paying agent.

12. EXCHANGE OF TALONS

On and after the Distribution Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of distribution due in respect of the Perpetual Security to which it appertains) a further Talon, subject to the provisions of Condition 8 (*Prescription*).

13. NOTICES

All notices regarding the Perpetual Securities will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in Asia, which is expected to be the *Business Times*. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Perpetual Securities are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

All notices regarding the Registered Perpetual Securities will be deemed to be validly given if sent by mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Perpetual Securities are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any definitive Perpetual Securities are issued, there may, so long as any Global Perpetual Securities representing the Perpetual Securities are held in their entirety on behalf of (i) Euroclear, Clearstream, Luxembourg and/or CDP, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg and/or (subject to the agreement of CDP) CDP, as the case may be, for communication by them to the holders of the Perpetual Securities, or (ii) the CMU Service, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to the persons shown in a CMU Instrument Position Report issued by the

CMU Service on the second Business Day preceding the date of despatch of such notice as holding interests in the relevant Global Perpetual Securities, or (iii) CDP, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to the persons shown in the records maintained by the CDP on the second Business Day preceding the date of despatch of such notice as holding interests in the relevant Global Perpetual Securities, and, in addition, in the case of (i), (ii) and (iii) above, for so long as any Perpetual Securities are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Perpetual Securities on the day after the day on which the said notice was given to Euroclear, Clearstream, Luxembourg and/or CDP and/or the persons shown in the relevant CMU Instrument Position Report and/or the persons shown in the records maintained by CDP.

Notices to be given by any Securityholder shall be in writing and given by lodging the same, together (in the case of any Perpetual Security in definitive form) with the relative Perpetual Security or Perpetual Securities, with the Principal Paying Agent (in the case of Bearer Perpetual Securities) or the Registrar (in the case of Registered Perpetual Securities). Whilst any of the Perpetual Securities are represented by a Global Perpetual Security, such notice may be given by any holder of a Perpetual Security to the Principal Paying Agent or the Registrar through Euroclear, Clearstream, Luxembourg and/or CDP, and in the case of Perpetual Securities lodged with the CMU Service, by delivery by such holder of such notice to the CMU Lodging and Paying Agent in Hong Kong, in each case in such manner as the Principal Paying Agent, the Registrar, Euroclear, Clearstream, Luxembourg, CDP and/or the CMU Service as the case may be, may approve for this purpose.

14. MEETINGS OF SECURITYHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

14.1 Meetings

The Trust Deed contains provisions for convening meetings of the Securityholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Perpetual Securities, the Coupons, the Guarantee or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer, the Guarantor or the Trustee and shall be convened by the Issuer if required in writing by Securityholders holding not less than 10 per cent. in nominal amount of the Perpetual Securities for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is two or more persons holding or representing not less than 50 per cent. in nominal amount of the Perpetual Securities for the time being outstanding, or at any adjourned meeting two or more persons being or representing Securityholders whatever the nominal amount of the Perpetual Securities so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Perpetual Securities or the Coupons or the Trust Deed (including modifying the date for payment of distribution on the Perpetual Securities thereon, reducing or cancelling the amount of principal or the rate of distribution payable in respect of the Perpetual Securities or altering the currency of payment of the Perpetual Securities or the Coupons), the quorum shall be two or more persons holding or representing not less than two-thirds in nominal amount of the Perpetual Securities for the time being outstanding, or at any adjourned such meeting two or more persons holding or representing not less than one-third in nominal amount of the Perpetual Securities for the time being outstanding. The Trust Deed does not contain any provisions requiring higher quorums in any circumstances. An Extraordinary Resolution passed at any meeting of the Securityholders shall be binding on all the Securityholders, whether or not they are present at the meeting and on all relevant Couponholders. The Trust Deed provides that a written resolution signed by or on behalf of the holders of not less than 75% of the aggregate principal amount of Perpetual Securities outstanding shall be as valid and effective as a duly passed Extraordinary Resolution.

14.2 Modifications waivers and substitution

The Trustee may agree, without the consent of the Securityholders or the Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach by the Issuer or the Guarantor of, any of the provisions of the Perpetual Securities, the Trust Deed, the Agency Agreement or any other transaction documents where, in any such case, it is not, in the reasonable opinion of the Trustee, materially prejudicial to the interests of the Securityholders so to do, or may agree, without any such consent as aforesaid, to any modification which is of a formal, minor or technical nature or is made to cure any ambiguity or correct a manifest error or an error which, in the reasonable opinion of the Trustee, is proven or to comply with mandatory provisions of the law or is required by Euroclear, Clearstream, Luxembourg, CDP and/or any other clearing system in which the Notes may be held. Any such modification shall be binding on the Securityholders and the Couponholders and any such modification shall be notified to the Securityholders in accordance with Condition 13 (*Notices*) as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Trustee shall have regard to the general distributions of the Securityholders of each Series as a class (but shall not have regard to any distributions arising from circumstances particular to individual Securityholders, or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for Securityholders or any other Series or for individual Securityholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Securityholder or Couponholder be entitled to claim, from the Issuer, the Guarantor, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Securityholders or Couponholders except to the extent already provided for in Condition 7 (*Taxation*) and/or any undertaking or covenant given in addition to, or in substitution for, Condition 7 (*Taxation*) pursuant to the Trust Deed.

The Trustee may, without the consent of the Securityholders or Couponholders, agree with the Issuer and the Guarantor to the substitution in place of the Issuer (or of any previous substitute under this Condition) as the principal debtor under the Perpetual Securities, the Coupons and the Trust Deed of another company, being the Guarantor or a Subsidiary of the Guarantor, subject to:

- (i) except in the case of the substitution of the Issuer by the Guarantor, the Perpetual Securities being unconditionally and irrevocably guaranteed by the Guarantor;
- (ii) the Trustee being satisfied that the distributions of the Securityholders will not be materially prejudiced by the substitution; and
- (iii) certain other conditions set out in the Trust Deed being complied with.

15. INDEMNIFICATION OF THE TRUSTEE AND TRUSTEE CONTRACTING WITH THE ISSUER AND THE GUARANTOR

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or pre-funded to its satisfaction.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer, the Guarantor and/or any Subsidiaries and to act as trustee for the holders of any other securities issued or

guaranteed by, or relating to, the Issuer, the Guarantor and/or any Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Securityholders or Couponholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

16. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Securityholders or the Couponholders to create and issue further perpetual securities having terms and conditions the same as the Perpetual Securities or the same in all respects save for the amount and date of the first payment of distribution thereon and so that the same shall be consolidated and form a single Series with the outstanding Perpetual Securities.

17. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT

No person shall have any right to enforce any term or condition of this Perpetual Security under:

- (a) if the Perpetual Securities are specified to be governed by English law in the applicable Pricing Supplement, the Contracts (Rights of Third Parties) Act 1999; or
- (b) if the Perpetual Securities are specified to be governed by Singapore law in the applicable Pricing Supplement, the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore,

but this does not affect any right or remedy of any person which exists or is available apart from that Act.

18. GOVERNING LAW AND SUBMISSION TO JURISDICTION

18.1 Governing law

The Perpetual Securities, the Coupons, the Trust Deed and any non-contractual obligations arising out of or in connection with the Perpetual Securities, the Coupons and the Trust Deed are governed by and shall be construed in accordance with:

- (a) if the Perpetual Securities are specified to be governed by English law in the applicable Pricing Supplement, English law, except that the subordination provisions set out in:
 - (i) Conditions 3(b)(i) to 3(b)(iii) applicable to the Issuer shall be governed by and construed in accordance with Singapore law; and
 - (ii) Conditions 3(b)(iv) to 3(b)(vi) applicable to the Guarantor shall be governed by and construed in accordance with Singapore law; or
- (b) if the Perpetual Securities are specified to be governed by Singapore law in the applicable Pricing Supplement, Singapore law.

18.2 Submission to jurisdiction

The Issuer irrevocably agrees, for the benefit of the Trustee, the Securityholders and the Couponholders, that:

- (a) if the Perpetual Securities are specified to be governed by English law in the applicable Pricing Supplement, the courts of England; or

(b) if the Perpetual Securities are specified to be governed by Singapore law in the applicable Pricing Supplement, the courts of Singapore,

(the **Relevant Courts**) are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed, the Perpetual Securities and/or the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Perpetual Securities and/or the Coupons) and accordingly submits to the non-exclusive jurisdiction of the Relevant Courts.

The Issuer waives any objection to the Relevant Courts on the grounds that they are an inconvenient or inappropriate forum. The Trustee, the Securityholders and the Couponholders may take any suit, action or proceedings (together referred to as **Proceedings**) arising out of or in connection with the Trust Deed, the Perpetual Securities and the Coupons (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Perpetual Securities and the Coupons) against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

18.3 Appointment of Process Agent

If the Perpetual Securities are specified to be governed by English law in the applicable Pricing Supplement, the Issuer appoints Law Debenture Corporate Services Limited at its registered office at Fifth Floor, 100 Wood Street, London EC2V 7EX as its agent for service of process, and undertakes that, in the event of Law Debenture Corporate Services Limited ceasing so to act or ceasing to be registered in England, it will appoint another person approved by the Trustee as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

Nothing in this Condition 18.3 (*Appointment of Process Agent*) shall affect the right to serve proceedings in any other manner permitted by law.

18.4 Other documents and the Guarantor

The Issuer and, where applicable, the Guarantor, the Agents and the Trustee have in the Trust Deed and the Agency Agreement submitted to the non-exclusive jurisdiction of the English courts and the Issuer and, where applicable, the Guarantor has appointed an agent for service of process in terms substantially similar to those set out above.

19. DEFINITIONS

In these Conditions:

Subsidiary or **Subsidiaries** has the meaning given to “subsidiary” in Section 5 of the Companies Act, Chapter 50 of Singapore; and

Winding-Up means, with respect to the Issuer or the Guarantor, a final and effective order or resolution for the bankruptcy, winding-up, liquidation, receivership or similar proceedings in respect of the Issuer or the Guarantor, as the case may be, under the law of any jurisdiction in which it is incorporated, domiciled or resident or carries on business or has assets.

USE OF PROCEEDS

Unless otherwise specified in the applicable Pricing Supplement, the net proceeds from the issue of each Tranche of Notes or Perpetual Securities will be used by the Group to refinance existing debts and/or to finance potential acquisition opportunities and/or for its general corporate and working capital purposes.

SUMMARY FINANCIAL INFORMATION

The following tables present summary consolidated financial information of the Group as at and for the periods indicated.

The summary consolidated financial information as at 31 December 2010 and 2011 and for the years then ended has been derived from the Group's consolidated financial statements for the year ended 31 December 2011 that have been audited by Ernst & Young LLP, and should be read in conjunction with such published audited consolidated financial statements and the notes thereto.

The summary consolidated financial information as at 30 September 2012 and for the nine months ended 30 September 2011 and 2012 has been derived from the Group's unaudited financial statements announcement for the nine months ended 30 September 2012, and should be read in conjunction with such published unaudited financial statements announcement and the notes thereto. Such consolidated financial information included in this Offering Circular has not been audited nor reviewed by the Group's auditors. Potential investors should exercise caution when using such data to evaluate the Group's financial condition and results of operations.

The consolidated financial position and consolidated results of the Group's operations for the nine months ended 30 September 2012 should not be taken as an indication of the expected financial position and results of the Group's operations for the full year ending 31 December 2012.

Consolidated Balance Sheet

S\$'000	Audited As at 31 December		Unaudited As at 30 September
	2010	2011	2012
	(Restated) ⁽¹⁾		
Share Capital	2,061,020	2,219,880	2,392,589
Reserves	2,067,657	3,199,339	3,222,243
Share Capital and Reserves	4,128,677	5,419,219	5,614,832
Non-Controlling Interests	301,836	294,401	477,640
Total Equity	4,430,513	5,713,620	6,092,472
Long-Term Borrowings	2,199,669	2,336,200	2,038,028
	6,630,182	8,049,820	8,130,500
Represented by:			
Fixed Assets	206,595	203,733	290,301
Investment Properties	1,699,840	634,051	1,219,146
Amounts Owing by Associated Companies	446,161	542,587	569,350
Other Non-Current Asset	—	103,900	103,900
Investments			
Associated companies	1,328,567	1,992,694	2,126,428
Jointly controlled entities	—	—	20,100
Long-term investments	111,338	125,763	122,222
	1,439,905	2,118,457	2,268,750

S\$'000	Audited		Unaudited
	As at 31 December		As at
	2010	2011	2012
	(Restated) ⁽¹⁾		
Current Assets			
Properties held for sale	1,977,208	3,148,649	3,761,715
Stocks	3,265	3,725	5,771
Debtors	586,753	622,595	357,102
Amounts owing by holding company and related parties	135,269	157,960	125,143
Cash and cash equivalents	1,589,046	1,941,937	1,486,231
	4,291,541	5,874,866	5,735,962
Less:			
Current Liabilities			
Creditors	894,197	1,051,417	1,083,466
Tax provision	136,883	124,066	95,443
Short-term borrowings	316,792	201,213	699,217
Amounts owing to holding company and related parties	3,167	6,306	12,703
	1,351,039	1,383,002	1,890,829
Net Current Assets	2,940,502	4,491,864	3,845,133
Deferred Taxation	(102,821)	(44,772)	(166,080)
	6,630,182	8,049,820	8,130,500

Notes:

- (1) The consolidated financial information for 2010 presented above has been restated to include the effects of the Group's adoption of INT FRS 115 *Agreements for the Construction of Real Estate* and its accompanying note that have become effective on 1 January 2011.
- (2) The consolidated financial information for 2010 and 2011 presented above has not been restated to include the effects of the Group's adoption of Amendments to FRS 12 *Deferred Tax: Recovery of Underlying Assets* that has become effective on 1 January 2012. The effects of the adoption on the consolidated financial information for 2010 and 2011 can be found in the Group's unaudited financial statements announcement for the nine months ended 30 September 2012.

Consolidated Profit and Loss

S\$'000	Audited For the Financial Years Ended 31 December		Unaudited For the Nine Months Ended 30 September	
	2010	2011	2011	2012
	(Restated) ⁽¹⁾			
Sales	685,408	948,974	573,801	466,934
Costs of Sales	(392,375)	(635,536)	(368,239)	(295,699)
Gross Profit	293,033	313,438	205,562	171,235
Distribution costs	(11,623)	(24,481)	(15,346)	(10,696)
Administrative and other expenses	(91,359)	(123,868)	(76,594)	(85,458)
Other income	6,041	21,806	17,288	17,172
Interest and investment income	29,746	49,446	30,295	30,746
Interest expense	(38,245)	(34,795)	(25,844)	(34,494)
Share of results of associated companies	196,868	174,960	82,739	275,798
Gain on acquisition of additional interest in an associated company	2,678	3,629	—	—
Corporate restructuring surplus	363,848	508,085	—	—
Other gains/(losses)	—	24,418	24,418	16,667
Pre-Tax Profit Before Fair Value Gain on Investment Properties/Impairment	750,987	912,638	242,518	380,970
Fair value gain on investment properties/impairment	425,810	591,290	—	—
Pre-Tax Profit After Fair Value Gain on Investment Properties/Impairment	1,176,797	1,503,928	242,518	380,970
Taxation	(118,834)	(108,226)	(26,942)	(61,494)
Profit for the Year/Period	1,057,963	1,395,702	215,576	319,476
Profit attributable to:				
Shareholders of the Company	1,052,919	1,365,646	191,780	311,073
Non-controlling interests	5,044	30,056	23,796	8,403
	1,057,963	1,395,702	215,576	319,476
Basic Earnings per Share (cents)	73.3	93.2	13.1	20.6
Diluted Earnings per Share (cents)	73.2	93.0	13.1	20.6

Notes:

- (1) The consolidated financial information for 2010 presented above has been restated to include the effects of the Group's adoption of INT FRS 115 *Agreements for the Construction of Real Estate* and its accompanying note that have become effective on 1 January 2011.
- (2) The consolidated financial information for 2010 and 2011 presented above has not been restated to include the effects of the Group's adoption of Amendments to FRS 12 *Deferred Tax: Recovery of Underlying Assets* that has become effective on 1 January 2012. The effects of the adoption on the consolidated financial information for 2010 and 2011 can be found in the Group's unaudited financial statements announcement for the nine months ended 30 September 2012.

CAPITALISATION AND INDEBTEDNESS

Capitalisation of the Guarantor

The table below sets forth the Group's capitalisation and indebtedness as at 30 September 2012. The information set out in this table has been extracted from and should be read in conjunction with the Group's unaudited financial statements announcement for the nine months ended 30 September 2012 appearing elsewhere in this Offering Circular:

	Unaudited As at 30 September 2012
	S\$'000
Borrowings	
Short-term (maturity within 1 year)	699,217
Long-term (maturity after 1 year)	2,038,028
Total Borrowings	2,737,245
Equity	
Share capital	2,392,589
Reserves	3,222,243
Equity Attributable to Owners of KLL	5,614,832
Non-Controlling Interests	477,640
Total Equity	6,092,472
Total Capitalisation and Indebtedness⁽¹⁾	8,829,717

Notes:

(1) Total capitalisation and indebtedness represents the sum of total borrowings and total equity.

Save as indicated above, there has been no material change in the capitalisation and indebtedness of the Group since 30 September 2012.

DESCRIPTION OF KEPPEL LAND FINANCIAL SERVICES PTE. LTD.

KLFS was incorporated on 16 June 2000 with limited liability under the laws of the Republic of Singapore. It is a wholly-owned subsidiary of the Guarantor.

Its principal activities are the provision of financial and treasury services to the companies within the Group. Apart from the issue of Securities under the Programme, it is also intended that KLFS, as a central funding vehicle for the Group, may enter into other transactions for the purpose of raising funds to meet the funding requirements of the Group.

Registered Office

The registered office of KLFS as at the date of this Offering Circular is at 1 HarbourFront Avenue, #18-01 Keppel Bay Tower, Singapore 098632.

Shareholding and Capital

As at the date of this Offering Circular, the issued and fully paid up share capital of KLFS is S\$2 comprising two ordinary shares.

Directors

As at the date of this Offering Circular, the Directors of KLFS are:

- (1) Ang Wee Gee;
- (2) Choo Chin Teck; and
- (3) Tan Swee Yiow.

Financial Information

The following table presents the audited balance sheet of KLFS as at 31 December 2011.

	Audited As at 31 December 2011 S\$'000
Share Capital	—*
Accumulated Profits	46,229
Total Equity	46,229
Long-Term Borrowings	1,787,741
	<u>1,833,970</u>
Represented by:	
Non-Current Assets	
Loans to related companies	72,906
Current Assets	
Other receivables	6
Amounts owing by related companies	2,865,147
Cash and cash equivalents	1,027,169
	<u>3,892,322</u>
Less:	
Current Liabilities	
Other payables	8
Amounts owing to holding and related companies	2,128,535
Income tax payable	2,715
	<u>2,131,258</u>
Net Current Assets	1,761,064
	<u>1,833,970</u>

* Denotes amount less than S\$1,000.

DESCRIPTION OF KEPPEL LAND LIMITED

Keppel Land is a leading property company in Asia, recognised for its award-winning high quality residential and commercial properties and its high standards of corporate transparency and disclosure. Keppel Land is the property arm of the Keppel Corporation Limited (**Keppel Corporation**) group of companies (the **Keppel Group**), one of Singapore's largest multinational groups with key businesses in offshore and marine, infrastructure and property. Keppel Corporation holds approximately 55% interest in Keppel Land.

Keppel Land is one of the largest property companies listed on the SGX-ST by total assets, with approximately S\$10.2 billion in total assets as at 30 September 2012. Keppel Land is an index component of the Dow Jones Sustainability Asia Pacific and World Indices 2012/2013. Keppel Land is also part of the FTSE ST Real Estate, the EPRA/NAREIT and the FTSE ST China Top indices. The market capitalisation of Keppel Land as at 21 November 2012 is approximately S\$5.1 billion.

Keppel Land focuses on two core businesses of property development and property fund management. It has a geographically diversified portfolio in Asia, primarily in Singapore, China, Indonesia, Vietnam and India. Profit contribution from overseas markets ranged between 24% and 40% of the Group's net profit in the last five years from 2007 to 2011. Several of Keppel Land's residential and commercial properties in Singapore have won prestigious awards, including the FIABCI Prix d'Excellence Awards, Building and Construction Authority (BCA) Green Mark Awards and Euromoney Real Estate Awards.

Keppel Land's landmark commercial developments in Singapore include Ocean Financial Centre, One Raffles Quay and Marina Bay Financial Centre in the new downtown area, as well as iconic residential developments such as Reflections at Keppel Bay, Marina Bay Suites and Marina Bay Residences. Keppel Land has a pipeline of more than 75,000 residential units across Asia to tap into housing demand in growth cities.

Keppel Land has two property fund management vehicles, Keppel REIT Management Limited (which manages Keppel Real Estate Investment Trust (**Keppel REIT**), a real estate investment trust constituted in the Republic of Singapore) and Alpha Investment Partners Limited (**Alpha**), a private equity entity. Total assets under management by Keppel REIT and Alpha have grown progressively to approximately S\$15.1 billion as at 30 September 2012, compared with about S\$3.7 billion in 2006, S\$9.8 billion in 2008 and S\$14.8 billion in 2011. This represented a compounded annual growth rate of 28% since 2006. Keppel REIT has approximately S\$6.3 billion of assets under management as at 30 September 2012, while Alpha has a portfolio of five funds, with approximately S\$8.8 billion of assets under management as at 30 September 2012, when fully leveraged and fully invested.

History

Keppel Land was incorporated in 1890 as Straits Steamship Company Limited, a ship operator and owner. In 1973, Straits Steamship Company went into new businesses such as property, warehousing and distribution as well as leisure. In 1983, Straits Steamship Company became a subsidiary of Keppel Corporation after it acquired a controlling 58% shareholding in the company from its parent, Ocean Transport and Trading Limited of Liverpool, United Kingdom.

In the late 1980s, Straits Steamship Company made several major acquisitions in Singapore for office, residential, warehouse and recreational project developments. Simultaneously, it also expanded its presence in Asia. In 1989, when property became its core business activity, it was renamed Straits Steamship Land Limited.

In February 1997, in a Keppel Group-wide exercise to adopt a common identity, Straits Steamship Land Limited was renamed Keppel Land Limited.

Business Strategy

Keppel Land has two core businesses: property development and property fund management. The business strategies of Keppel Land are to:

- actively seek acquisitions in Singapore and overseas; and
- monetise assets and recycle capital to take on new projects.

Leveraging on sustained economic growth, home ownership aspirations, favourable demographics and urbanisation trends in Asia, Keppel Land has continued its expansion drive in the development of quality housing in new countries, cities and segments. It has also embarked on developing large-scale residential townships in the region to tap on the demand for quality housing from the growing middle class population. With the trend in Asia gravitating towards holistic live-work-play communities, Keppel Land is also well-positioned to capture opportunities in the building of integrated and sustainable mixed-use developments in the region.

Keppel Land employs a number of strategies across each of its two divisions in order to optimise returns on investments and increase shareholder value. These include: (i) focusing on Keppel Land's core competencies in the residential and commercial property sectors; (ii) investing selectively overseas to take advantage of the different property cycles; (iii) growing Keppel Land's fee-based income to balance its trading and investment income; and (iv) distinguishing itself from its competitors by focusing on sustainable developments.

The key components of Keppel Land's strategies are as follows:

(i) Focus on core competencies

Keppel Land intends to build on its business of property development for sale by focusing on the residential and commercial sectors in which it has the competitive edge. Keppel Land has a proven track record in iconic residential projects, such as Caribbean at Keppel Bay and Reflections at Keppel Bay in Singapore, township projects in China such as The Botanica in Chengdu and Central Park City in Wuxi, and landmark office developments like Ocean Financial Centre, Marina Bay Financial Centre and One Raffles Quay in Singapore.

Residential

Keppel Land will remain focused on the residential property market, continuing to develop its existing landbank into quality housing while seeking new opportunities in existing and new markets. Keppel Land's current geographical focus for property development is Singapore, China, Indonesia, Vietnam and India as management believes that strong demand for residential properties in these countries will continue.

Commercial

Keppel Land is a reputable developer of prime commercial buildings in Singapore and overseas. These include Ocean Financial Centre, Marina Bay Financial Centre and One Raffles Quay in Singapore. Keppel Land has three prime commercial projects under development overseas, namely an office development in the heart of Beijing's central business district (**CBD**) in the Chaoyang District, International Financial Centre Jakarta Tower 2 in the financial hub of Jakarta in Indonesia and Saigon Centre Phase 2 in Ho Chi Minh City in Vietnam.

Keppel Land also intends to develop its property fund management business to increase its fee-based income. Its property fund management subsidiary, Alpha, has succeeded in attracting institutional investors for its funds which invest in a variety of property types such as commercial, residential and industrial according to the funds' respective mandates.

Keppel Land believes that this strategy will allow diversification of risks and increased synergies across Asia. In addition, Keppel Land continues to monitor the real estate markets closely to capitalise on suitable opportunities for the acquisition of good quality assets.

(ii) Invest selectively overseas to take advantage of growth cities and different property cycles

To enhance its growth and earnings potential and reduce over-reliance on any single market, Keppel Land invests selectively overseas, focusing on China, Indonesia, Vietnam and India where there is a shortage of good quality housing to satisfy the aspirations of growing middle-class populations for home ownership. To meet this demand, Keppel Land has scaled up its residential and township developments in Asia including Shanghai, Tianjin, Chengdu, Wuxi, Jakarta and Ho Chi Minh City. Keppel Land has also diversified beyond its residential focus to expand its commercial presence in overseas markets such as China, Indonesia and Vietnam. In China, Keppel Land will continue to focus on key gateway cities as well as promising second-tier cities enabling it to take advantage of the different property cycles in these markets. This will reduce Keppel Land's exposure to cyclical downturns in Singapore, where approximately 50% of its total assets of S\$10.2 billion were located as at 30 September 2012.

To strengthen and build on Keppel Land's strong network and track record in 10 cities across China, Keppel Land China Limited, a wholly-owned subsidiary of Keppel Land was established in September 2010 to own and operate all of Keppel Land's properties in China. As at 30 September 2012, Keppel Land China Limited had a total gross floor area of approximately 7.7 million square metres in its pipeline, which translates to over 43,000 units in township, residential and waterfront developments in China.

(iii) Grow fee-based income to moderate the volatility from trading income streams

Keppel Land will seek to reduce the volatility of its income streams by optimising the balance between its trading, investment and fee-based incomes from property fund management. From its investment properties portfolio as well as its fee-based business, Keppel Land will seek to provide a recurring stable income base to balance the more volatile trading income stream from the development and sale of properties.

Keppel Land intends to increase its fee-based income through property fund management and related services. In Singapore, Keppel REIT acquired an 87.5% interest in Ocean Financial Centre and four additional floors in Prudential Tower in 2011. In 2012, Keppel REIT further raised its stake in Ocean Financial Centre to 99.9%. Alpha, through its Alpha Asia Macro Trends Fund (**AAMTF**), made several acquisitions in 2011. The fund acquired interest in a portfolio of luxury apartments in Luwan District in Shanghai and jointly acquired Capital Square in Singapore with NTUC Income. With the success of AAMTF, a second follow-on fund Alpha Asia Macro Trends Fund II (**AAMTF II**) was set up in 2011 and the fund has since invested in three developments in Hong Kong and Singapore, including a 50% stake in 78 Shenton Way, an office building located in Singapore's CBD.

(iv) Focusing on sustainable developments

Keppel Land's strategy also includes distinguishing itself from its competitors by focusing on sustainable developments to attract sophisticated eco-conscious tenants and homebuyers. Keppel Land has set as a benchmark for all its projects in Singapore to achieve at least a BCA Green Mark Gold^{Plus} rating, and Green Mark Gold rating or its equivalent rating for overseas projects. As at 31 October 2012, 32 of Keppel Land's developments in Singapore, China, Indonesia, Vietnam and India had been conferred the BCA Green Mark Awards, including the Platinum Award for Ocean Financial Centre in Singapore, Platinum Award (Provisional) for International Financial Centre Jakarta Tower 2 in Indonesia and Gold^{Plus} Award for Marina Bay Financial Centre (Phase 2 Commercial). The Estella and Riviera Cove in Ho Chi Minh City were the first two properties to be conferred the Green Mark award in Vietnam.

Competitive Strengths

Keppel Land's principal competitive strengths include:

Diversified property business

Keppel Land is a leading developer of premier residential developments and investment-grade commercial properties in Asia. Keppel Land believes that the size and diversity of its property business across different market segments and geographical locations will help to mitigate any adverse impact on certain segments of the property market or in particular cities or countries in the region, while also allowing for cross-selling to existing customers of Keppel Land.

Strong financial profile

Keppel Land has a strong balance sheet of approximately S\$1.5 billion in cash as at 30 September 2012. The Group's net asset values have grown from S\$4.1 billion as at 31 December 2010 to S\$5.4 billion as at 31 December 2011 and further to S\$5.6 billion as at 30 September 2012. For the nine months ended 30 September 2012, Keppel Land recorded a net profit of S\$311.1 million. For the years ended 31 December 2011 and 2010, Keppel Land achieved net profits of S\$1.4 billion and S\$1.1 billion respectively. Keppel Land has lowered its net gearing levels over the years, giving it financial capability and flexibility to fund its development projects through internal and external resources. It receives revenue from residential and commercial development sales and recurring income from property investment and its fee-based business. The Group currently has diverse sources of funding through its existing multicurrency medium term note programme, convertible bonds as well as traditional loan facilities. The Programme will provide a further avenue of funding for the Group as and when Securities are issued under the Programme.

Proven track record and strong brand awareness

Keppel Land has a strong and proven track record in Singapore and in Asia. It is recognised as a reputable developer of quality housing and premier commercial properties in Asia. Over the years, Keppel Land has built up an excellent showcase of quality residential and commercial developments in Asia, which have earned the confidence and trust of many local and international homebuyers and tenants. Many of these developments have won prestigious awards for their outstanding designs and high quality standards.

Extensive sales channel and strong marketing strategy

Keppel Land has an experienced management team with good execution skills to chart its business direction. It has experience in executing large-scale residential and commercial projects as well as integrated townships with several thousand housing units. Together with sound business strategies and strong market presence, Keppel Land will continue to leverage its core competencies and skill set to deliver sustainable earnings and asset growth.

Deal flow capability

Keppel Land believes that its ability to source projects in regional markets is a key strength. This is due to its project evaluation and risk assessment capabilities. Keppel Land's stringent project selection process has enabled it to concentrate on large, high quality projects.

Good network of offices in Asia

Keppel Land has established a local presence in almost all the countries in Asia where it operates. As such, Keppel Land is equipped with local knowledge which allows for quick responses to market opportunities and changes. Keppel Land and its subsidiaries has also built good working relationships with local authorities and established strong business networks in each operating country, all of which helps significantly in project origination and execution.

Risk management capabilities

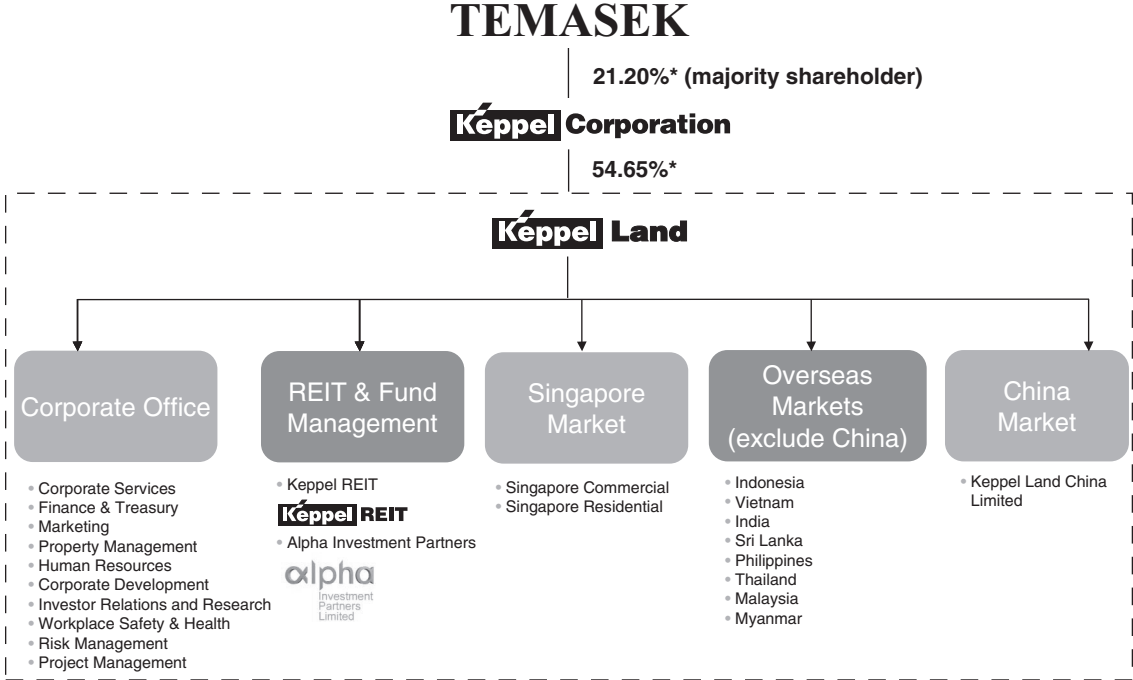
Keppel Land has expanded its risk assessment and management capabilities in tandem with its expansion into new markets. The exposure to each country and project and their relative impact on earnings, cash flows and financial position are monitored on an ongoing basis. For example, during the global financial crisis in 2008/2009, all major risks affecting the Group and investment opportunities were monitored and action was taken where possible to manage risks. This includes deferment of projects or developing a project in phases to conserve cash for future suitable acquisition opportunities.

Strong corporate governance

Keppel Land is committed to a high standard of corporate governance and supports transparency, innovation and decisiveness. Keppel Land believes that these standards and practices will contribute significantly to its long term growth in Singapore and other Asian countries. Keppel Land was ranked sixth out of 674 companies in the Governance and Transparency Index 2012 which was jointly launched by the Business Times and the Centre for Governance, Institutions and Organisations, a research centre under the National University of Singapore Business School. Keppel Land also won the Gold Award for Best Annual Report and Silver Award for Best Managed Board at the Singapore Corporate Awards 2012. Other notable wins included emerging as Runner Up as Most Transparent Company (Real Estate category) and receiving the Singapore Corporate Governance Merit Award at the SIAS Investors’ Choice Awards 2012.

Corporate Structure

The following diagram sets forth an overview of the Group’s organisation showing its principal functions:



* As at 31 October 2012

Business

Keppel Land is currently focused on two businesses: property development and property fund management. It also owns and manages several hotels, serviced apartments and resorts.

The consolidated revenue and net profit contribution from the principal business segments and geographical segments of the Group for the nine months ended 30 September 2012 (**9M2012**), and for the years ended 31 December 2011 (**FY2011**) and 2010 (**FY2010**), respectively, are set out below:

S\$' million	Revenue			Net Profit		
	Unaudited 9M2012	Audited FY2011	Audited FY2010	Unaudited 9M2012	Audited FY2011	Audited FY2010
			(Restated) ⁽¹⁾			(Restated) ⁽¹⁾
By Business Segments						
Property Trading	311.2	708.1	472.7	230.1	198.5	212.9
Property Investment	42.1	80.2	70.2	58.6	70.6	56.0
Fund Management	64.2	82.3	68.7	41.3	65.3	41.0
Hotels and Resorts	45.4	55.2	44.4	12.0	6.0	4.4
Others	4.0	23.2	29.4	(47.6)	(60.7)	(33.0)
Sub-total	466.9	949.0	685.4	294.4	279.7	281.3
Corporate Restructuring Surplus/Fair Value Gain on Investment Properties/ Impairment	—	—	—	—	1,057.9	768.9
Gain on Acquisition of Additional Interest in an Associated Company . . .	—	—	—	—	3.6	2.7
Other Gains/(Losses).	—	—	—	16.7	24.4	—
Total	466.9	949.0	685.4	311.1	1,365.6	1,052.9
By Geographical Segments						
Singapore.	210.8	407.5	172.4	262.2	212.7	170.3
Overseas	256.1	541.5	513.0	32.2	67.0	111.0
Sub-total	466.9	949.0	685.4	294.4	279.7	281.3
Corporate Restructuring Surplus/Fair Value Gain on Investment Properties/ Impairment	—	—	—	—	1,057.9	768.9
Gain on Acquisition of Additional Interest in an Associated Company . . .	—	—	—	—	3.6	2.7
Other Gains/(Losses).	—	—	—	16.7	24.4	—
Total	466.9	949.0	685.4	311.1	1,365.6	1,052.9

Notes:

- (1) The financial information for 2010 presented above has been restated to include the effects of the Group's adoption of INT FRS 115 *Agreements for the Construction of Real Estate* and its accompanying note that have become effective on 1 January 2011.
- (2) The financial information for 2010 and 2011 presented above has not been restated to include the effects of the Group's adoption of Amendments to FRS 12 *Deferred Tax: Recovery of Underlying Assets* that has become effective on 1 January 2012. The effects of the adoption on the consolidated financial information for 2010 and 2011 can be found in the Group's unaudited financial statements announcement for the nine months ended 30 September 2012.

Property Development

Property development, comprising property trading and property investment, is the largest source of revenue for the Group. For the nine months ended 30 September 2012, revenues from property development amounted to S\$353.3 million or 76% of the Group's total revenues. For the years ended 31 December 2011 and 2010, revenues from property development amounted to S\$788.3 million and S\$542.9 million, representing 83% and 79% of the Group's total revenues respectively.

Development of the Group's properties usually entails four phases: land acquisition, project development and construction as well as marketing. The typical development cycle for vacant land is approximately three to four years, whereas the development cycle for large-scale housing, mixed-use and township developments can be longer and differs from country to country.

The Group is actively involved in all four phases of the development process in order to control costs, schedule and quality of its projects. Through its subsidiaries and associated companies, Keppel Land oversees and largely performs all aspects of its development operations, including the selection of sites for acquisition and development, preparation of feasibility studies, obtaining government approvals for zoning and modifications, the design and construction of projects, as well as the marketing, leasing and management of projects.

Other than the five markets that the company focuses on, the Group also owns assets in other countries in Asia including Malaysia, Myanmar, Sri Lanka, Thailand and the Philippines.

The Group's diversified property portfolio, comprising primarily office buildings, residential properties, hotels and resorts as well as service apartments are owned through its subsidiaries and associated companies. As at 31 December 2011, the Group's property portfolio amounted to about S\$7.9 billion, of which 68% and 32% were located in Singapore and overseas respectively. Details of the Group's property portfolio in Singapore (based on the Group's effective share) are shown in the table below.

	As at 31 December 2011	
	S\$' million	(%)
By Tenure		
Freehold	650	12
999-year lease	905	17
99-year lease and others	3,793	71
Total	5,348	100
By Development Stage		
Completed	3,292	62
Under development	1,360	25
Awaiting development	696	13
Total	5,348	100

	As at 31 December 2011	
	S\$' million	(%)
By Sector		
Office	3,371	63
Residential	1,913	36
Retail	11	—
Industrial	53	1
Total	5,348	100
	sq. metres in '000	(%)
By Estimated Gross Floor Area		
Office	198	45
Residential	233	54
Retail	1	—
Industrial	4	1
Total	436	100

A description of the activities undertaken by Keppel Land in Singapore and the other countries in which it operates is set out below:

Residential Properties

The Group is a leading property developer of quality residential properties in Singapore and Asia. For the nine months ended 30 September 2012, the Group sold a total of approximately 320 residential units in Singapore and close to 1,200 units overseas, mostly in China. Over the past 15 years, the Group sold a total of about 7,800 units in Singapore and about 28,000 units in overseas.

Singapore

Keppel Land launched The Luxurie in Sengkang in August 2011 and as at end-October 2012, approximately 89% of 607 launched units have been sold.

In October 2012, Keppel Land successfully bid for a prime residential site along New Upper Changi Road and intends to capitalise on demand for suburban homes. Situated next to the Tanah Merah train station, the site is in close proximity to the Changi International Airport, the Changi Business Park and the upcoming Singapore University of Technology and Design.

The Group's portfolio of residential properties in Singapore as at 31 October 2012 is as follows:

Current Launches

Property	Location	Percentage Owned (%)	Total No. of Units	Units Launched	Percentage of Launched Units Sold as at 31 October 2012 (%)	Tenure
Reflections at Keppel Bay	Keppel Bay	30	1,129*	950	92	99-year leasehold
Marina Bay Suites	Marina Bay	33	221	200	93	99-year leasehold
The Luxurie	Sengkang	100	622	607	89	99-year leasehold

* Includes 154 units set aside for corporate residences.

Landbank

Property	Location	Estimated No. of Units	Tenure
Keppel Bay Plot 3	Keppel Bay	366	99-year leasehold
Keppel Bay Plot 4	Keppel Bay	234	99-year leasehold
Keppel Bay Plot 6	Keppel Bay	116	99-year leasehold
Keppel Towers & GE Tower	Tanjong Pagar Road/Hoe Chiang Road	590	Freehold
Residential Development	New Upper Changi Road	700	99-year leasehold

Overseas

As home ownership aspirations, favourable demographics and urbanisation trends continue, Keppel Land plans to prudently continue its expansion drive in the housing sector in its current focus markets of China, Indonesia, Vietnam and India.

China: The Group's portfolio of residential properties in China includes the projects in the Park Avenue precinct in Shanghai as well as residential townships in Chengdu, Wuxi and Shenyang and an eco-city development in Tianjin. In the last two years, several residential sites in Chengdu, Shanghai and Wuxi have been acquired. The Group is also developing its first prime commercial building in Beijing.

In October 2012, Keppel Land acquired its fifth residential site in Chengdu which is situated next to Hill Crest Villa, an existing project under the Group. Located in a prime residential enclave, the development is expected to yield 573 landed homes.

Indonesia: Keppel Land's residential township project in Indonesia, Jakarta Garden City, sits on a 270-hectare piece of land in Greater Jakarta and close to the established estate of Kelapa Gading.

Vietnam: Keppel Land's portfolio of residential properties includes Riviera Cove, The Estella and Riviera Point in Ho Chi Minh City.

India: Keppel Land is developing a residential project in the Rajarhat Township in Kolkata.

In July 2012, Keppel Land announced that it has entered into a joint venture agreement with CT Properties Ltd, a leading property developer in Sri Lanka, to develop 260 high-end condominium residences on a 0.5-hectare prime site in Colombo, Sri Lanka.

The table below describes Keppel Land's current launches:

Country	Property	Percentage Owned (%)	Total No. of Units	Units Launched	Percentage of Launched Units Sold as at 31 October 2012 (%)
Shanghai, China	The Springdale (Plots 3-1, 3-2 & 3-3)	99	1,068	917	82
Wuxi, China	Central Park City Phase 2	50	1,627	1,547	91
Chengdu, China	The Botanica Phase 6 (Plot R5a)	44	1,248	1,248	99
	The Botanica Phase 7	44	2,048	444	38
Shenyang, China	The Seasons Phase 1	100	810	270	76
Tianjin, China	Seasons Park — Tianjin Eco-City Phase 1 (Plots 7 & 10)	55	1,105	787	81
Kunming, China	Hill Crest Residence Phase 1	69	133	133	79
	La Quinta II	69	62	62	68
Kolkata, India	Elita Garden Vista	38	1,278	688	89
Jakarta, Indonesia	Jakarta Garden City Phase 1 & 2	51	1,107	1,104	93
Ho Chi Minh City, Vietnam	The Estella Phase 1	55	719	719	65
	Riviera Point Phase 1A	75	549	277	48
	Riviera Cove	60	96	96	74

Residential Townships

The Group is also developing large-scale residential townships in Asia to capitalise on the demand for quality housing from the growing middle-class population. More than 50% of the Group's 43,000 residential units in China are located in residential townships and large-scale developments that are integrated with retail, commercial and leisure components. In Vietnam, over 70% of the Group's more than 22,000 residential units are located in residential townships and large-scale developments.

In China, these include The Botanica in Chengdu, Central Park City in Wuxi, Seasons Park in Tianjin Eco-City and The Seasons in Shenyang. The Group is also developing Jakarta Garden City in Jakarta, Indonesia. The residential township developments in Vietnam include Saigon Sports City and Dong Nai Waterfront City.

Commercial Properties

In Singapore, Keppel Land together with Keppel REIT owns a portfolio of premier office buildings in the Raffles Place and Marina Bay financial district such as Ocean Financial Centre and Marina Bay Financial Centre.

Outside Singapore, Keppel Land has commercial property investments in China, Indonesia, Vietnam and the Philippines. It has ventured into its first commercial development in Beijing, China with a gross floor area of approximately 100,000 square metres, located in the CBD close to Chang'An Avenue and two underground train stations.

The Group's long-term intention is to divest its commercial investment properties to unlock value for its property development and property fund management businesses.

Commercial Portfolio in Singapore

Keppel Land owns, develops and manages a number of commercial buildings in Singapore. It currently has a commercial portfolio of approximately 3 million square feet of gross floor area in Singapore.

The Group's major office properties in Singapore include:

Property	Percentage Owned (%)	Estimated Total Gross Floor Area (sq ft)
Marina Bay Financial Centre Phase 2 (Tower 3)	33	1,618,817
Equity Plaza	65	339,472
Keppel Bay Tower	12	450,362
Harbourfront Tower 1	12	433,549
Harbourfront Tower 2	12	206,958

As at 30 September 2012, Marina Bay Financial Centre Tower 3 is 76% committed with tenants occupying about 60% of the development.

Overseas Commercial Properties

Outside Singapore, the Group is developing commercial buildings with an estimated 436,100 square metres of gross floor area in China, Indonesia and Vietnam.

The Group's major overseas commercial properties include:

Property	Percentage Owned (%)	Estimated Total Gross Floor Area (sq. metres)
Commercial (Office and Retail) Development in Chaoyang District in Beijing's CBD	51	100,000
Seasons City, Tianjin Eco-City.	55	162,000
International Financial Centre Jakarta Tower 2	100	64,100
Saigon Centre Phase 2, Ho Chi Minh City	45	110,000

Takashimaya Singapore has pre-committed about 30% or 15,000 square metres of Saigon Centre Phase 2's retail space as the anchor tenant, ahead of its expected completion in 2015.

Integrated marina lifestyle development

Keppel Land is developing its first integrated residential marina lifestyle development in China in the Pearl River Delta region. The 86-hectare development is located on MoDao Island off Shenwan Town in Zhongshan City, Guangdong. The development is expected to comprise about 1,700 luxurious villas with private berths, condominium units, serviced apartments and ancillary facilities including a clubhouse, private berthing amenities, a boating school and recreational facilities. The first homes are expected to be launched in 2014.

Tianjin Eco-City

Keppel Land acquired a 55% interest while Keppel Corporation has taken up a 45% interest in a 36.6-hectare site located within the Start-Up Area of the Sino-Singapore Tianjin Eco-City (**Tianjin Eco-City**), in China. Tianjin Eco-City is envisioned to be a socially-harmonious, environmentally-friendly and resource-efficient community.

The Group's first eco-homes are located in the 36.6-hectare site, which is expected to yield approximately 4,300 residential units. Seasons Park, comprising about 1,680 residential units, is the first collection of eco-homes launched in the development. Approximately 81% of 787 launched units at Seasons Park have been sold as at 31 October 2012. Seasons City, the Group's mixed-use development, comprises three office towers, retail space and service apartments with a total gross floor area of approximately 162,000 square metres. The site is close to the Eco-Business Park and planned light rail transit station for Tianjin city. Construction is underway for a retail mall and an office building under Phase 1 of Seasons City.

Property Fund Management

The Group generates fee income from its property fund management division. Its strategy is to expand its fee income from property fund management activities, as part of its broader strategy to grow fee-based income. The Group's property fund management activities are currently carried out through (i) Keppel REIT Management Limited and (ii) the Group's wholly-owned fund management vehicle, Alpha.

Keppel REIT

Sponsored by Keppel Land, Keppel REIT (formerly known as K-REIT Asia) was listed on the SGX-ST on 28 April 2006 following a distribution in specie of units to shareholders of Keppel Land. Keppel REIT's objective is to generate steady and sustainable returns for its unitholders by owning and investing in a portfolio of quality income-producing commercial real estate and real estate related assets.

As at 30 September 2012, Keppel REIT had a market capitalisation of S\$3.1 billion and portfolio value of approximately S\$6.3 billion. Keppel REIT's existing portfolio comprises nine office properties located in Singapore as well as in the cities of Brisbane, Sydney and Perth, in Australia.

The commercial properties located in Singapore are: Bugis Junction Towers, One Raffles Quay (one-third interest), Prudential Tower (approximately 93% of the total strata area of the building), Marina Bay Financial Centre Phase 1 (one-third interest) and Ocean Financial Centre (99.9% interest). Keppel REIT has 50% interest in its three commercial properties located in Australia: 275 George Street in Brisbane, 8 Chifley Square in Sydney and a new office tower to be built on the Old Treasury Building site in Perth. The commercial property at 77 King Street in Sydney is fully owned by Keppel REIT.

Keppel REIT's assets under management grew to approximately S\$6.3 billion as at 30 September 2012, compared with about S\$0.6 billion in 2006, S\$2.1 billion in 2008 and S\$6 billion in 2011.

Alpha Investment Partners Limited

Alpha, Keppel Land's wholly-owned fund management vehicle, oversees Keppel Land's property fund management business. It is a real estate investment advisory firm managed by a team of established professionals with proven fiduciary experience. The existing property fund management platform includes Asia No. 1 Property Fund, Alpha Core Plus Real Estate Fund, AAMTF, AAMTF II and AIB Alpha Japan Fund. Total assets under management for these funds were approximately S\$8.8 billion when fully leveraged and fully invested as at 30 September 2012, compared with about S\$3.1 billion in 2006, S\$7.7 billion in 2008 and S\$8.8 billion in 2011.

Four of the five funds mentioned above are fully invested. Only AAMTF II is not fully-invested.

Asia No. 1 Property Fund has key investors from Australia, the United Kingdom, Europe, Asia and North America. The fund has a higher risk tolerance and can invest in less mature markets and assume development risks.

Alpha Core Plus Real Estate Fund seeks to achieve stable long-term returns by investing in more mature markets in Asia such as Japan, Singapore, Hong Kong and South Korea.

AAMTF identified specific macro trends in Asia's developed and emerging markets. Its portfolio of assets includes investments with an emphasis on rental growth and cash flow. The fund acquired an interest in a portfolio of luxury apartments in Luwan District in Shanghai and jointly acquired Capital Square in Singapore with NTUC Income in 2011.

Riding on the success of the first fund, AAMTF II was formed with its first closing in 2011. Following the acquisition of a boutique hotel in Hong Kong, AAMTF II further expanded its portfolio with the acquisition of some high-end residential units at 8 Napier in Singapore in the first half of 2012, followed by a 50% stake in a prime commercial building, 78 Shenton Way, in Singapore.

AIB Alpha Japan Fund is a single country direct property fund that invests only in Japan and has a committed equity of S\$259 million.

Hotels and Resorts Ownership and Operations

Keppel Land currently has a portfolio of hotels, serviced apartments and resorts with a total of about 2,300 rooms.

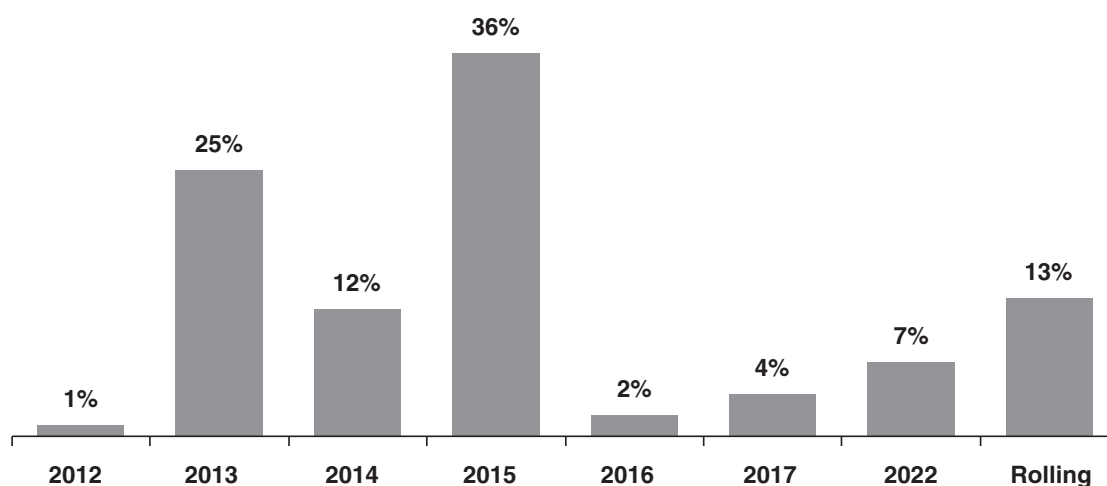
Of these, six are managed by Sedona Hotels International, the hotel management arm of Keppel Land, namely Sedona Hotel Yangon and Sedona Hotel Mandalay in Myanmar, Sedona Suites Ho Chi Minh City and Sedona Suites Hanoi in Vietnam, Hotel Sedona Manado in Indonesia and Residences at Reflections in Singapore.

Keppel Land has equity interest in the other hotels and resorts which are not managed by Sedona Hotels International. These include Spring City Golf and Lake Resort in China, Ria Bintan Golf Club, Club Med Ria Bintan and Nongsa Point Marina in Indonesia.

Capital Management

The Group adopts a prudent approach towards capital management and closely monitors its gearing, debt servicing and the maturity profile of its borrowings.

As at 30 September 2012, the Group had approximately S\$2.7 billion of total borrowings comprising short-term borrowings of S\$0.7 billion and long-term borrowings of S\$2 billion. In addition, Keppel Land has a debt maturity profile of an average maturity of 2.8 years with not more than 40% of total debt maturing in any year, and maintains a balance of fixed and floating rate debt. The debt maturity profile of the Group as at 30 September 2012 is set forth in the chart below:



Note:

The figures above denote the Group's total borrowings as at 30 September 2012 falling due during each of the periods specified above.

The Group's net debt position and financial ratios are also presented below:

	As at/For the Nine Months Ended 30 September 2012	As at/For the Financial Year Ended 31 December 2011
Net Debt (S\$'billion)	1.25	0.6
Net Debt/Equity Ratio (times)	0.21	0.10
Weighted Average Interest Rate of Borrowings (%)	2.3	2.2
Interest Cover Ratio ⁽¹⁾ (times)	23.1	48.9

Note:

(1) Interest cover ratio is calculated by dividing profit before interest and tax by the net interest cost on external borrowings.

Competition

Property Development: In Singapore, the Group competes with other property companies to attract and retain commercial tenants and to sell its residential properties. The Group considers its major competitors in Singapore to be publicly-listed property companies in Singapore as well

as certain international property developers and private property companies. In the commercial property market, the Group competes on the strength of the location and quality of its commercial properties, and on the quality of its service offerings. In the residential property market, the Group competes on the basis of location, quality and design of its developments. The Group has focused primarily on developing prime or centrally located residential properties and selected suburban properties located near transportation and other facilities.

While the Group is one of Singapore's major property companies, the property market is expected to remain competitive. The Group's real estate business is dependent, in part, on the availability of land suitable for development by the Group. To this end, the Group has selectively accumulated a landbank of prime freehold real estate and leasehold property for future development.

Property Fund Management: The Group's property fund management business competes for investors in a highly competitive industry. Competitive factors include the performance track record of the business and the track record of the individuals who form the Group's management team.

Overseas: The competitive environment in Asia varies across countries. The Group's overseas property and hospitality businesses compete with both domestic and international companies. Notwithstanding that the domestic companies in the overseas markets have extensive knowledge of the local property and hospitality markets, Keppel Land has established local market presence in the various countries of operation such as China and Vietnam, where it has gained substantial market knowledge. Keppel Land intends to leverage its extensive business network and good rapport with the local authorities to further grow its overseas operations.

Regulation

The real estate business in Singapore is subject to significant government regulation over, among other things, land and title acquisition, development planning and design, construction and mortgage financing and refinancing. For overseas markets such as China, the government has sought to regulate or reduce property speculation through measures such as the adoption and enforcement of regulations and the imposition of credit controls, taxes and fees, which could reduce property sales and affect property values.

Employees

As at 30 September 2012, the Group had approximately 3,200 employees.

The Group believes its employees are critical to its success and is committed to investing in the development of its employees through continuing education and structured training, as well as the creation of opportunities for career growth.

Insurance

The Group is covered by insurance policies arranged through reputable insurance brokers and with reputable independent insurance companies which principally cover material damage to property, business interruption and public liability and other risks. The Group believes that it has adequate insurance coverage with insurance scope, coverage and financial limits that are commercially reasonable and appropriate for a group of its size and activities in the real estate industry.

There are, however, certain types of losses (such as from wars and loss of business from negative effects of economic conditions) that generally are not insured because they are either uninsurable or insuring against them is not economically viable. Should an uninsured loss or a loss in excess of insured limits occur, the Group could lose capital invested in the property, as well as anticipated future revenue and may result in the imposition of civil or criminal penalties, for example, personal injury, loss of life or environmental damage.

Environmental Matters and Compliance

The operations of the Group are subject to regulatory requirements and potential liabilities arising under applicable environmental laws and regulations.

Keppel Land believes that each member of the Group is in compliance in all material aspects of the environmental laws applicable to it and its operations, and there are no pending or regulatory or other proceedings against any member of the Group in connection with any environmental law. To date, no environmental incident involving the Group has occurred.

The Group's guiding philosophy is that properties should be developed to harmonise and improve the environment as well as enhance the quality of life of the people who use them. This principle drives the design and development of all the Group's projects. Besides making conscious efforts to ensure minimal negative impact on the environment, Keppel Land's properties are intended to enhance the environment locally and overseas with its green initiatives, energy and water conservation and recycling programmes.

Keppel Land was awarded the ISO14001 certification in October 2008 for its Singapore property development operations. Re-certification was obtained for each subsequent year and in 2011, the Group's subsidiary, Keppel Land China Limited joined the property development and management divisions in Singapore and Vietnam in obtaining certification of ISO 14001.

Keppel Land's projects have achieved a total of 32 BCA Green Mark Awards, including the Platinum Award for Ocean Financial Centre, Platinum Award (Provisional) for International Financial Centre Jakarta Tower 2, Gold^{PLUS} Award for Marina Bay Financial Centre (Phase 2 Commercial), as well as 27 Gold awards and two certified awards for properties in Singapore, China, Indonesia, Vietnam and India.

Ocean Financial Centre also became the first building in Southeast Asia to achieve the Platinum Level LEED-CS certification.

Legal Proceedings

The Group is not party to any litigation which it believes would, indirectly or directly as a whole, have a material adverse effect on its business, financial condition, prospects or results of operations.

MANAGEMENT

INFORMATION ON DIRECTORS OF KEPPEL LAND

Directors and Management

The Board of Directors of Keppel Land (the **Board**) is responsible for the overall management and direction of the Group. The day-to-day operations are entrusted to the Group Chief Executive Officer of Keppel Land and a team of executive officers who are responsible for the different functions of the Group.

Board of Directors

Mr Choo Chiau Beng

Mr Choo was appointed as the Chairman of Keppel Land on 1 May 2009. He is the Chief Executive Officer of Keppel Corporation, and Chairman of Keppel Offshore and Marine Ltd, Keppel Energy Pte Ltd and Keppel Land China Limited. He is also a Director of k1 Ventures Limited and KrisEnergy Ltd. Mr Choo started his career with Keppel Shipyard in 1971 and rose through the ranks to his present position.

Mr Choo is a Board Member of Energy Studies Institute, a Board & Council Member of American Bureau of Shipping and the Chairman of Det Norske Veritas South East Asia Committee. He is the Council Member of Singapore of Asean Council on Petroleum (ASCOPE), a member of American Bureau of Shipping's Southeast Asia Regional Committee, Special Committee on Mobile Offshore Drilling Units and Singapore University of Technology and Design's Board of Trustee. He is also a member of the Management Board of Institute for Engineering Leadership of the National University of Singapore.

Mr Choo was conferred the Public Service Star Award (BBM) in August 2004, The Meritorious Service Medal in 2008 and NTUC Medal of Commendation (Gold) Award in May 2007.

He is Singapore's Non-Resident Ambassador to Brazil.

Mr Choo was awarded the Colombo Plan Scholarship to study Naval Architecture in the University of Newcastle upon Tyne. He graduated with a Bachelor of Science (First Class Honours) in 1970 and a Master of Science Degree in Naval Architecture in 1971. He attended the Programme for Management Development in Harvard Business School in 1982 and is a Member of Wharton Society of Fellows, University of Pennsylvania. Mr Choo was conferred Doctor of Civil Law by the University of Newcastle upon Tyne in 2009.

Mr Kevin Wong Kingcheung

Mr Wong has been the Group Chief Executive Officer/Managing Director, Keppel Land since January 2000. Prior to this appointment, Mr Wong has been the Executive Director since November 1993. He is also the Deputy Chairman of Keppel REIT Management Limited and Keppel Land China Limited. He is a Board Member of the Building and Construction Authority (**BCA**), and Deputy Chairman of BCA Academy Advisory Panel. He is also a Director of Prudential Assurance Company Singapore (Pte) Limited.

Prior to joining Keppel Land, Mr Wong had diverse experience in the real estate industry in the UK, USA and Singapore. Mr Wong holds a Bachelor Degree in Civil Engineering with First Class Honours from Imperial College, London, and a Master Degree from the Massachusetts Institute of Technology, USA.

Mr Wong will be leaving Keppel Land on 31 December 2012.

Mr Lim Ho Kee

Mr Lim has been a Director of Keppel Land since 2001. He is the Chairman of Singapore Post Limited, and a Director of Jardine Cycle & Carriage Limited and Postea Inc.

With extensive experience in both the public and private sectors, Mr Lim's past portfolio includes directorships in UBS A.G., Singapore Telecommunications Limited, Keppel Tatlee Bank Limited and k1 Ventures Ltd. He was an Independent Director of Singapore Telecommunications Limited between April 1992 and September 2000, and chaired the Finance and Investment Committee during that period.

Mr Lim had a career spanning 15 years with UBS A.G. Switzerland from 1984 to 1999. He was the Chief Executive Officer of UBS East Asia from 1991 to 1993, the Executive Vice President of the UBS Group from 1993 to 1996, and the Chairman of UBS East Asia from 1997 to 1999. Before his appointment at UBS A.G. Switzerland, he was the General Manager of Treasury at Overseas Union Bank from 1982 to 1983, and the Deputy Managing Director (Operations) of the Monetary Authority of Singapore (on secondment from Overseas Union Bank) from 1981 to 1982.

Mr Lim obtained his Bachelor of Science Degree in Economics from the London School of Economics, UK.

Dr Tsui Kai Chong

Dr Tsui has been a Director of Keppel Land since 2001. He was the Chairman of Keppel REIT Management Limited from 28 November 2005 to 3 July 2012.

He is currently the Provost and Professor of SIM University. He is a Member of the Board of IP Academy Singapore and the National Council of Social Service. He received his PhD in Finance from New York University in 1988 and his Chartered Financial Analyst qualification in 1993.

Mrs Lee Ai Ming

Mrs Lee has been a Director of Keppel Land since November 2002 and currently serves on the Audit, Board Risk, Board Safety and Brand Review Committees. She is also a Director of Keppel REIT Management Limited since 28 November 2005. She is currently a senior partner of the law firm, Rodyk & Davidson LLP. She has practised law for more than 30 years in the areas of commercial litigation, real estate and intellectual property. Mrs Lee was appointed to the board of the Agri-Veterinary Board on 1 April 2010. Mrs Lee is also an Independent Director, the Chairperson of the Nominating Committee and a Member of the Audit Committee of HTL International Holdings Limited.

Mrs Lee serves in leadership roles on various other forums, including the Singapore Law Society, the Singapore Copyright Tribunal, the Federation Internationale des Conseils en Propriété Industrielle, the Asian Patent Attorneys Association, and the International Trade Marks Association.

Mrs Lee holds a Bachelor of Laws (Honours) Degree from the University of Singapore, and is an Advocate & Solicitor of the Supreme Court of Singapore.

Mr Tan Yam Pin

Mr Tan was appointed to the Board on 1 June 2003. A Chartered Accountant by profession, he retired as the Managing Director of the Fraser and Neave Group in October 2002.

Mr Tan is a Director of Great Eastern Holdings Limited, Singapore Post Limited, Leighton Asia Limited (Hong Kong) and Blue Scope Steel Limited (Australia). He has been a Member of the Singapore Public Service Commission since 1990. He was a former Board Member of the East Asiatic Company Limited A/S (Denmark) until March 2006.

Mr Tan was awarded the Public Service Star in 1999 and the Public Service Star (Bar) in 2010.

Mr Tan holds a Bachelor of Arts (Honours) Degree in Economics from the University of Singapore and a Master of Business Administration Degree from the University of British Columbia, Canada. He is a Fellow of the Canadian Institute of Certified Accountants, Canada.

Mr Heng Chiang Meng

Mr Heng was appointed to the Board on 1 March 2005. He holds directorships in listed companies Macquarie International Infrastructure Fund Ltd, Far East Orchard Limited, and Academies Australasia Group Ltd (listed on Australian Stock Exchange).

Mr Heng began his career in the financial sector in 1970 after graduating with a Bachelor of Business Administration (Honours) Degree from the University of Singapore. He has held senior positions in several financial institutions including Citibank NA, the Monetary Authority of Singapore and Overseas Union Bank Limited. His other major area of experience was in real estate, having been the Managing Director of First Capital Corporation Limited, the Executive Director in the Far East Organization Group, and the Group Managing Director of Lim Kah Ngam Limited.

Mr Heng served four terms as a Member of Parliament from 1984 to 2001 during which he chaired the Government Parliamentary Committees for Communications and the Environment as well as the Ang Mo Kio-Cheng San Community Development Council and the Cheng San Town Council.

Mr Edward Lee Kwong Foo

Mr Lee was appointed to the Board on 1 July 2006.

He became Singapore's Ambassador to Indonesia in 1994 and retired on 1 July 2006 after 36 years of service with the Foreign Service Branch of the Singapore Administrative Service in various senior positions across Asia-Pacific.

Since his first posting to Indonesia in 1974, Mr Lee served a total of 18 years in the Singapore Embassy in Jakarta. He also served as Ambassador to the Philippines from 1990 to 1993, as well as High Commissioner to Brunei Darussalem from 1984 to 1990.

For his long-standing contributions to the Public Service, Mr Lee was honoured with several accolades including the Public Administration Medal (Silver) in 1996 and the Public Administration Medal (Gold) in 1998, the Long Service Medal in 1997, and the Meritorious Service Medal in 2006.

In 1993, Mr Lee was conferred the diplomatic rank of Datu (Grand Cross) of the Order of Sikatuna by the Philippine Government in recognition of his efforts in promoting bilateral relations between the Philippines and Singapore.

In 2007, he was conferred the highest civilian award by the Indonesian Government, the Bintang Jasa Utama (the Star of Excellent Services) for his many years of contribution towards building up stronger and closer relations between Singapore and Indonesia.

Mr Lee is the Chief Executive of PT Ekalimintas, an investment consultancy firm, and a member of the National University of Singapore President's Philanthropic Advisory Council.

He holds a Bachelor of Arts (Honours) Degree from the University of Singapore, and a Master of Arts Degree from Cornell University.

Mrs Koh-Lim Wen Gin

Mrs Koh was appointed to the Board on 20 January 2010. She is also a Director of Keppel Land China Limited.

Mrs Koh has played a key role in shaping Singapore's cityscape through her career with the Urban Redevelopment Authority (**URA**). She was URA's Chief Planner and Deputy Chief Executive Officer between 2001 and 2008.

Mrs Koh was involved in a variety of high quality landmark developments which have contributed to Singapore's growth as a global city. She was also instrumental in spearheading the nation's building conservation programme covering more than 6,800 heritage buildings. The programme was awarded the prestigious Global Award for Excellence by the Urban Land Institute in 2006.

For her achievements, Mrs Koh was presented the Meritorious Service Medal in 2009, the Public Administration Medal (Gold) in 2002, and the Public Administration Medal (Silver) in 1986.

Mrs Koh has also served on several statutory boards such as the STB Hotel Licencing Board; Land Transport Authority Board; Board of Architects, Singapore; and Preservation of Monuments Board. She has also chaired many URA Design Advisory Panels, Committees and Design Competition Juries. She continues to serve as a Board Member of the National Parks Board, Board of Architects Singapore and several Statutory Boards' Advisory Panels.

Mrs Koh graduated with a Bachelor of Architecture from the University of Singapore in 1971.

Mr Loh Chin Hua

Mr Loh was appointed to the Board on 1 July 2012. He is the Chief Financial Officer of Keppel Corporation and the Chairman of Alpha, Keppel Land's real estate fund management arm.

He has over 25 years of experience in real estate investing and funds management. Prior to joining Alpha in 2002, he led Prudential Investment Management's Asian real estate fund management business.

Mr Loh started his career in Government of Singapore Investment Corporation (**GIC**), during which he headed the European real estate group before returning to head the Asian real estate group.

Currently, he is a director of Keppel Offshore & Marine Ltd, Keppel Energy Pte Ltd, Keppel Land, KrisEnergy Ltd and various fund companies and subsidiaries.

Mr Loh holds a Bachelor Degree in Property Administration (Colombo Plan Scholarship) from Auckland University and a Presidential Key Executive MBA from Pepperdine University. He is also a Chartered Financial Analyst and a Registered Valuer (New Zealand Institute of Valuers).

Mrs Oon Kum Loon

Mrs Oon was appointed to the Board on 1 September 2010. Mrs Oon has been an Independent and Non-executive Director of Keppel Corporation since 2004. She is also the Chairperson of its Board Risk Committee and a member of its Audit and Remuneration Committees.

Mrs Oon is a veteran banker with about 30 years of experience and had held a number of management and executive positions within the DBS Bank Ltd. group of companies. She was the Chief Financial Officer of the bank until September 2003. Prior to this, Mrs Oon was Managing Director and Head of Group Risk Management, responsible for the development and implementation of a group-wide integrated risk management framework. During her career with the bank, she was also involved with treasury and markets, corporate finance and credit management activities. Mrs Oon's other directorships include Keppel Land China Limited, Singapore Power Limited, SP PowerAssets Limited and PowerGas Limited.

Mrs Oon holds a Bachelor of Business Administration (Honours) Degree from the University of Singapore.

Senior Management

Mr Ang Wee Gee

Mr Ang joined the Group in 1991. He is currently the Executive Vice Chairman of Keppel Land China Limited and Executive Director of Keppel Land International Limited. Keppel Land China Limited, a wholly-owned subsidiary company of Keppel Land Limited, owns and independently operates the Group's businesses in China.

Mr Ang was previously the Executive Director and Chief Executive Officer, International of Keppel Land International Limited, responsible for the Group's overseas businesses. He was also the Chairman of Keppel Philippines Properties, Inc. and Keppel Thai Properties Public Company Limited, property companies listed on the Philippine Stock Exchange and The Stock Exchange of Thailand respectively. He has previously held positions in business and project development for Singapore and overseas markets, corporate planning and development in the Group's hospitality arm, and was the Group's country head for Vietnam as well as the head of Sedona Hotels International.

He is a Director of Sedona Hotels International Pte Ltd, the hotel management arm of Keppel Land, and a number of other subsidiary and associated companies of the Group.

Mr Ang will succeed Mr Kevin Wong Kingcheung as Chief Executive Officer, Keppel Land on 1 January 2013 and will remain as Executive Vice Chairman of Keppel Land China Limited.

Mr Ang holds a Master of Business Administration Degree from Imperial College, University of London. He received his Bachelor of Science Degree summa cum laude from the University of Denver, USA.

Mr Tan Swee Yiow

Mr Tan joined the Group in 1990 and is concurrently President, Singapore Commercial and Head, Regional Investments, overseeing the Group's investment and development operations in the Singapore commercial market as well as investment and development activities in several regional countries.

Prior to joining the Group, he was with a banking group, advising on property valuation, taxation and investment.

Mr Tan is the Chairman of Keppel Thai Properties Public Company Limited which is listed on The Stock Exchange of Thailand. He is a Director of a number of subsidiary and associated companies of the Group, including Sedona Hotels International Pte Ltd and Raffles Quay Asset Management Pte Ltd.

In addition, he serves on the Board of the Singapore Green Building Council, the Management Council of Real Estate Developers' Association of Singapore, the Workplace Safety Health Council (Construction and Landscape Committee), and the Malaysia-Singapore Business Council.

Mr Tan will assume the position of President (Singapore) overseeing the Group's investment and development operations for both residential and commercial markets in Singapore while relinquishing his role as Head, Regional Investments for Indonesia, Malaysia, Thailand and Myanmar operations with effect from 1 January 2013.

Mr Tan holds a Bachelor of Science Degree (First Class Honours) in Estate Management from the National University of Singapore, and a Master of Business Administration Degree in Accountancy from the Nanyang Technological University.

Mr Augustine Tan Wee Kiong

Mr Tan joined the Group in 1991 and is currently President, Singapore Residential, overseeing the Group's residential developments and investments in Singapore and the Group's marina developments, namely Marina at Keppel Bay in Singapore and Nongsa Point Marina in Indonesia. He is also Head, Regional Investments, responsible for the Group's property developments and investments in India and Middle East. Mr Tan's previous appointments include Chief Executive Officer of Singapore Residential and General Manager for Marketing, overseeing the marketing of the Group's developments and investments in Singapore and overseas.

Prior to joining the Group, Mr Tan had extensive experience in the design development and marketing of commercial, retail, industrial and residential developments with other listed real estate developers.

He is a Director of Keppel Land International Limited, and a number of other subsidiary and associated companies of the Group.

Mr Tan will be leaving Keppel Land on 31 March 2013.

Mr Tan holds a Master of Business Administration Degree from the University of Birmingham, UK, and a Bachelor of Science Degree in Estate Management from the National University of Singapore. He is a Member of the Singapore Institute of Surveyors and Valuers.

Ms Ng Hsueh Ling

Ms Ng has been the Chief Executive Officer and Executive Director of Keppel REIT Management Limited (**KRML**) (the manager of Keppel REIT) since 17 August 2009. She has 22 years of experience in the real estate industry.

Her experience encompasses strategic sourcing, investment, asset and portfolio management and development of assets in key Asian cities as well as extensive fund management experience in the areas of real estate fund product creation, deal origination, distribution and structuring of real-estate-based financial products.

Prior to this appointment, Ms Ng has held key positions with two other real estate companies, CapitaLand Limited and Ascendas Pte Ltd (**Ascendas**). Before her appointment as the Chief Executive Officer and Executive Director in KRML, she was the Chief Executive Officer (Korea and Japan) at Ascendas.

Ms Ng is a Director of various subsidiary and associated companies of Keppel REIT, and is currently a Director of The National Art Gallery, Singapore.

She is a Licensed Appraiser for land and buildings and is a Fellow of the Singapore Institute of Surveyors and Valuers. She holds a Bachelor of Science Degree in Real Estate from the National University of Singapore.

Ms Christina Tan Hua Mui

Ms Tan was appointed the Managing Director of Alpha on 1 January 2012. Ms Tan joined Alpha in November 2002, and was the Chief Financial Officer of Alpha for 9 years. She has over 15 years of experience in financial management and controls.

Prior to joining Alpha, Ms Tan was the Chief Financial Officer of GRA (Singapore) Private Limited (**GRA**), the Asian real estate fund management arm of the Prudential Insurance Company of America, managing more than US\$1 billion in real estate funds. During her 8 years with GRA, she had responsibility for client financial reporting, operational management and controls, raising project financing and treasury management.

Before joining GRA, Ms Tan was a Treasury Manager with Chartered Industries of Singapore, managing the group's cash positions and investments. She started her career with Ernst & Young prior to joining GIC. In GIC, she had responsibilities in the Finance department overseeing External Fund Managers, Special Investments and Real Estate Departments.

Ms Tan is a Chartered Financial Analyst, and has a Bachelor of Accountancy (Honours) Degree from the National University of Singapore.

Mr Desmond Tang Kok Peng

Mr Tang was appointed the Managing Director of Alpha on 1 January 2012. He was previously an Executive Director of Alpha, with responsibility for all direct real estate investment and asset management activities.

Mr Tang has over 20 years of experience investing in and managing real estate in the key markets across the Asia Pacific Region.

He holds a Bachelor of Science (Estate Management) (Honours) Degree from the National University of Singapore, and a Master of Applied Finance Degree from Macquarie University.

Mr Lim Kei Hin

Mr Lim was appointed the Chief Financial Officer of the Group on 9 July 2007.

With effect from 1 January 2013, Mr Lim will also oversee Investor Relations & Research in addition to Finance and Information Technology.

Prior to joining the Group, he was with Singapore Airlines Limited and has more than 20 years of diverse experience having served in different financial and general management roles in Singapore, the Philippines, Australia and the United States. His last appointment was the Chief Financial Officer of Singapore Airport Terminal Services Limited.

He is a Director of a number of subsidiary and associated companies of the Group.

Mr Lim holds a Bachelor of Science (Economics) Degree in Accounting & Finance (Honours) from the London School of Economics & Political Science, UK.

PRINCIPAL SHAREHOLDERS

The following table sets forth certain information regarding the ownership of KLL's Shares as at 31 October 2012 by the major shareholders as shown in KLL's register. Deemed interest is determined in accordance with Section 7 of the Singapore Companies Act.

KLL's substantial shareholders, as extracted from the register of substantial shareholders, as at 31 October 2012 are as follows:

	<u>No of Shares</u>	<u>Percentage*</u>
Temasek Holdings Private Limited (Deemed interest)	844,381,807	54.68
Keppel Corporation Limited	843,861,572	54.65

* Percentage shareholding interests are based on 1,544,245,513 issued Shares (excluding treasury shares) as at 31 October 2012.

Interested Person Transactions

The Group has ongoing contractual arrangements with the Keppel Corporation Limited and with entities related to Temasek Holdings Private Limited in the ordinary course of business. Such transactions are entered into on normal commercial terms.

The Audit Committee of KLL reviews all interested person transactions each with value in excess of S\$100,000 entered into by the Group to ensure that these are undertaken on normal commercial terms, are properly approved and are not prejudicial to the Group and its minority shareholders. These transactions are detailed in the Group's financial statements as published from time to time. See note 16 of the Group's published unaudited financial statements announcement for the nine months ended 30 September 2012, included elsewhere in this Offering Circular.

TAXATION

The statements below are general in nature and are based on certain aspects of current income tax laws in Singapore and administrative guidelines issued by the Inland Revenue Authority of Singapore (IRAS) and MAS in force as at the date of this Offering Circular and are subject to any changes in such laws or administrative guidelines, or the interpretation of those laws or guidelines, occurring after such date, which changes could be made on a retroactive basis. These laws and guidelines are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Offering Circular are intended or are to be regarded as advice on the tax position of any holder of the Notes and Perpetual Securities or of any person acquiring, selling or otherwise dealing with the Notes and Perpetual Securities or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes and Perpetual Securities. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and Perpetual 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 Notes and Perpetual Securities are advised to consult their own professional tax advisers as to the tax consequences of the acquisition, ownership of or disposal of the Notes and Perpetual Securities, including, in particular, the effect of any foreign, state or local tax laws to which they are subject to. It is emphasised that none of the Issuers, the Guarantor, the Arrangers and any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes and Perpetual Securities.

In addition, the disclosure below is on the assumption that the IRAS regards each tranche of the Perpetual Securities as “debt securities” for the purposes of the Income Tax Act, Chapter 134 of Singapore (ITA) and that Distributions made under each tranche of the Perpetual 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 any tranche of the Perpetual Securities is not regarded as “debt securities” for the purposes of the ITA 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 any tranche of the Perpetual Securities should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of any tranche of the Perpetual Securities.

Singapore Taxation

Interest and Other Payments

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 15.00% final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17.00%. The applicable rate for non-resident individuals is 20.00%. 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 15.00%. The rate of 15.00% 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 and 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 addition, as the Programme as a whole is arranged by DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch and Standard Chartered Bank, Singapore Branch, each of which is a Financial Sector Incentive (Bond Market) Company (as defined in the ITA), any tranche of the Notes and Perpetual Securities which are debt securities (as defined in the ITA) issued under the Programme from the date of this Offering Circular to 31 December 2013 (**Relevant Securities**) would be “qualifying debt securities” for the purposes of the ITA, to which the following treatment shall apply:

- i. subject to certain prescribed conditions having been fulfilled (including the furnishing by the relevant 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 Relevant Securities within such period as the Comptroller may specify and such other particulars in connection with the Relevant Securities as the Comptroller may require to the Comptroller and the MAS and the inclusion by the relevant Issuer in all offering documents relating to the Relevant Securities of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant 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 Relevant 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 **Qualifying Income**) from the Relevant Securities paid by the relevant Issuer and derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Securities are not obtained from such person’s operation through a permanent establishment in Singapore, are exempt from Singapore tax;
- ii. subject to certain conditions having been fulfilled (including the furnishing by the relevant Issuer, or such other person as the Comptroller may direct, of a return on debt securities for the Relevant Securities within such period as the Comptroller may specify and such other

particulars in connection with the Relevant Securities as the Comptroller may require, to the Comptroller and the MAS), Qualifying Income from the Relevant Securities paid by the relevant Issuer and derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10.00% (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

iii. subject to:

(aa) the relevant Issuer including in all offering documents relating to the Relevant Securities a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) derived from the Relevant Securities is not exempt from tax shall include such income in a return of income made under the ITA; and

(bb) the relevant Issuer, or such other person as the Comptroller may direct, furnishing to the Comptroller and the MAS a return on debt securities for the Relevant Securities within such period as the Comptroller may specify and such other particulars in connection with the Relevant Securities as the Comptroller may require,

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

However, notwithstanding the foregoing:

(A) if during the primary launch of any tranche of the Relevant Securities, such tranche of the Relevant Securities are issued to fewer than four persons and 50.00% or more of the issue of such Relevant Securities is beneficially held or funded, directly or indirectly, by related parties of the relevant Issuer, such Relevant Securities would not qualify as “qualifying debt securities”; and

(B) even though a particular tranche of the Relevant Securities are “qualifying debt securities”, if, at any time during the tenure of such tranche of the Relevant Securities, 50.00% or more of the issue of such Relevant Securities is beneficially held or funded, directly or indirectly, by any related party(ies) of the relevant Issuer, Qualifying Income derived from such Relevant Securities held by:

(I) any related party of the relevant Issuer; or

(II) any other person where the funds used by such person to acquire such Relevant Securities are obtained, directly or indirectly, from any related party of the relevant Issuer,

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

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

break cost, in relation to debt securities and qualifying debt securities, means 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;

prepayment fee, in relation to debt securities and qualifying debt securities, means 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

redemption premium, in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

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

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

The 10.00% concessionary tax rate for qualifying debt securities does not apply to persons who have been granted the financial sector incentive (standard-tier) status (within the meaning of Section 43N of the ITA).

There is an enhancement to the Qualifying Debt Securities Scheme known as the Qualifying Debt Securities Plus Scheme (**QDS Plus Scheme**). Under the QDS Plus Scheme, subject to certain conditions having been fulfilled (including the submission 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 Comptroller and the MAS), income tax exemption is granted on interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost from qualifying debt securities (excluding Singapore Government Securities) which:

- (a) are issued during the period from 16 February 2008 to 31 December 2013;
- (b) have an original maturity of not less than 10 years;
- (c) cannot be redeemed, called, exchanged or converted within 10 years from the date of their issue; and
- (d) cannot be re-opened with a resulting tenure of less than 10 years to the original maturity date.

However, even if a particular tranche of the Relevant Securities are “qualifying debt securities” which qualify under the QDS Plus Scheme, if, at any time during the tenure of such tranche of the Relevant Securities, 50.00% or more of the issue of such Relevant Securities is beneficially held or funded, directly or indirectly, by related parties of the relevant Issuer, interest, discount income, prepayment fee, redemption premium and break cost from such Relevant Securities derived by:

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

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

Distributions on Perpetual Securities may be taxable, unless specifically exempted from tax under the ITA, in the hands of holders of the Perpetual Securities in the year the Distributions are due to them, irrespective of whether the Issuer has paid the Distributions due to them or not.

In view of the above, in the event that the Distributions are not payable, or not payable in full, on any Distribution Payment Date due to any deferral in accordance with the terms and conditions of the Perpetual Securities, holders of the Perpetual Securities should consult their professional advisers with respect to the tax consequences to them (including as to whether they may have any tax liability on any amount of Distributions which are not payable or not payable in full).

Capital Gains

Singapore does not impose tax on capital gains. However, there are no specific laws or regulations which deal with the characterisation of capital gains and hence, gains arising from the disposal of the Notes and Perpetual Securities by any person may be construed to be of an income nature and subject to income tax, especially if they arise from activities which the Comptroller would regard as the carrying on of a trade or business in Singapore.

Holders of the Notes and Perpetual Securities who apply or are required to apply 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 Notes and Perpetual Securities, irrespective of disposal, in accordance with FRS 39. Please see the section below on “Adoption of FRS 39 Treatment for Singapore Income Tax Purposes”.

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 legislative 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 Notes and Perpetual 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 Notes and Perpetual Securities.

Estate Duty

Singapore estate duty has been abolished for deaths occurring on or after 15 February 2008.

Proposed EU Directive on the Taxation of Savings Income

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

SUBSCRIPTION AND SALE

The Dealers have, in a programme agreement (the **Programme Agreement**) dated 22 November 2012, agreed with the Issuers and the Guarantor a basis upon which they or any of them may from time to time agree to purchase Notes or Perpetual Securities. Any such agreement will extend to those matters stated (in the case of Notes) under “*Form of the Notes*” and “*Terms and Conditions of the Notes*” or (in the case of Perpetual Securities) under “*Form of the Perpetual Securities*” and “*Terms and Conditions of the Perpetual Securities*”. In the Programme Agreement, the Issuers (failing which, the Guarantor) have agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes and Perpetual Securities under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

United States

The Notes and the Perpetual Securities have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S or pursuant to an exemption from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes and the Perpetual Securities are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes or Perpetual Securities (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes or Perpetual Securities on a syndicated basis, the relevant lead manager, of all Notes or Perpetual Securities of the Tranche of which such Notes or Perpetual Securities are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes or Perpetual Securities during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes or Perpetual Securities within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes or Perpetual Securities, an offer or sale of such Notes or Perpetual Securities within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Each issuance of Index Linked Notes, Index Linked Perpetual Securities, Dual Currency Notes or Dual Currency Perpetual Securities shall be subject to such additional U.S. selling restrictions as the relevant Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes or Perpetual Securities, which additional selling restrictions shall be set out in the applicable Pricing Supplement.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Notes or Perpetual Securities which are the subject of the offering contemplated by this Offering Circular as completed by the applicable Pricing Supplement in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes or Perpetual Securities to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 100 or, if the relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes or Perpetual Securities referred to in (a) to (c) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an **offer of Notes or Perpetual Securities to the public** in relation to any Notes or Perpetual Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes or Perpetual Securities to be offered so as to enable an investor to decide to purchase or subscribe the Notes or Perpetual Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression **Prospectus Directive** means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression **2010 PD Amending Directive** means Directive 2010/73/EU.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes or Perpetual Securities in circumstances in which Section 21(1) of the FSMA does not apply to the relevant Issuer or the Guarantor; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes or Perpetual Securities in, from or otherwise involving the United Kingdom.

Japan

The Notes and Perpetual Securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No.25 of 1948, as amended; the **FIEA**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes or Perpetual Securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which means any person resident in Japan or any corporation or other person organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes or Perpetual Securities (except for Notes and Perpetual Securities that are “structured products” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (**SFO**) other than (i) to “professional investors” as defined in the SFO and any rules made under the SFO, or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes or Perpetual Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws in Hong Kong) other than with respect to Notes or Perpetual 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 SFO and any rules made under the SFO.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Securities or caused the Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any Securities or cause the Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute this Offering Circular, and any other

document or material in connection with the offer or sale, or invitation for subscription or purchase, of Securities, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act (the **SFA**), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Securities pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or (in the case of a corporation) where the transfer arises from an offer referred to in Section 276(3)(i)(B) of the SFA or (in the case of a trust) where the transfer arises from an offer referred to in Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

General

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree that it will comply with all applicable securities laws, regulations and directives in force in any jurisdiction in which it purchases, offers, sells or delivers Securities or possesses or distributes the Offering Circular and will obtain any consent, approval, licence or permission required by it for the purchase, offer, sale or delivery by it of Securities under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the other Dealers shall have any responsibility therefor. No Dealer will directly or indirectly offer, sell or deliver Securities or distribute or publish the Offering Circular or any other offering material in any country or jurisdiction except under circumstances that will result in compliance with any applicable laws, regulations and directives, and all offers, sales and deliveries of Securities by it will be made on the foregoing terms.

None of the Issuers and the Guarantors has represented that Securities may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or has assumed any responsibility for facilitating any such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with any additional or modified, varied or amended restrictions agreed between the relevant Issuer and the relevant Dealer and set out in the applicable Pricing Supplement and/or the Subscription Agreement.

GENERAL INFORMATION

Authorisation

The establishment of the Programme, the issue of Notes and Perpetual Securities under the Programme and the giving of the Guarantee have been duly authorised by a resolution of the Board of Directors of KLL dated 14 November 2012 and the establishment of the Programme and the issue of Notes and Perpetual Securities under the Programme have been duly authorised by a resolution of the Board of Directors of KLFS dated 15 November 2012.

Listing of Notes and Perpetual Securities

Application has been made to the SGX-ST for permission to deal in and for the quotation of any Notes and Perpetual Securities which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes or Perpetual Securities have been admitted to the Official List of the SGX-ST.

Admission to the Official List of the SGX-ST and listing of any Notes or, as the case may be, Perpetual Securities on the SGX-ST is not to be taken as an indication of the merits of the Programme and the Notes or, as the case may be, the Perpetual Securities.

Documents Available

For the period of 12 months following the date of this Offering Circular, copies of the following documents will, when published, be available for inspection from the registered office of the Issuers and from the specified office of the Principal Paying Agent for the time being in Hong Kong:

- (a) the Memorandum and Articles of Association of each Issuer;
- (b) the audited consolidated financial statements of KLL in respect of the financial year ended 31 December 2011, together with the audit report prepared in connection therewith. KLL currently prepares audited consolidated accounts on an annual basis;
- (c) the most recently published audited annual financial statements of each Issuer (if published) and the most recently published unaudited interim financial statements (if any) of each Issuer, together with any audit or review reports prepared in connection therewith.;
- (d) the Programme Agreement, the Trust Deed, the Singapore Trust Deed, the Agency Agreement, the CDP Deeds of Covenant and the forms of the Global Notes, Global Perpetual Securities, the Notes and Perpetual Securities in definitive form, the Receipts, the Coupons and the Talons;
- (e) a copy of this Offering Circular; and
- (f) any future offering circulars, prospectuses, information memoranda and supplements including Pricing Supplements (save that a Pricing Supplement relating to an unlisted Note or unlisted Perpetual Security will only be available for inspection by a holder of such Note or Perpetual Security and such holder must produce evidence satisfactory to the relevant Issuer or the Principal Paying Agent as to its holding of Notes and Perpetual Securities and identity) to this Offering Circular and any other documents incorporated herein or therein by reference.

Clearing Systems

The Notes and Perpetual Securities have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes or Perpetual Securities allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Pricing Supplement. The relevant Issuer may also apply to have the Notes or Perpetual Securities, as the case may be, accepted for clearance through the CMU Service. The relevant CMU instrument number will be specified in the applicable Pricing Supplement. In addition, the relevant Issuer may also apply to have the Notes or Perpetual Securities, as the case may be, accepted for clearance through CDP. If Notes or Perpetual Securities are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Pricing Supplement.

The address of Euroclear is Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Conditions for determining price

The price and amount of Notes or Perpetual Securities to be issued under the Programme will be determined by the relevant Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Material Change

Except as disclosed in this Offering Circular, there has been no material adverse change in the financial position or prospects of each Issuer since 31 December 2011.

Litigation

- (a) There are no legal or arbitration proceedings pending or, so far as KLL is aware, threatened against KLL or any of its subsidiaries, the outcome of which may have or have had during the 12 months prior to the date of this Offering Circular a material adverse effect on the financial position of KLL or the Group.
- (b) There are no legal or arbitration proceedings pending or, so far as KLFS is aware, threatened against KLFS, the outcome of which may have or have had during the 12 months prior to the date of this Offering Circular a material adverse effect on the financial position of KLFS.

Auditors

Ernst & Young LLP, Public Accountants and Certified Public Accountants, have audited, and rendered unqualified audit reports on the consolidated financial statements of KLL for each of the two financial years ended on 31 December 2011 and 31 December 2010.

Ernst & Young LLP has given and has not withdrawn its written consents to the issue of this Offering Circular for the inclusion herein of (i) its name; (ii) its auditor's report on the financial statements of KLL for the financial year ended 31 December 2011 in the form and context in which they appear in this Offering Circular, and reference to its name and such report in the form and context which they appear in this Offering Circular.

Dealers transacting with the Issuers and the Guarantor

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuers, the Guarantor and their affiliates in the ordinary course of business.

GLOSSARY

The following definitions have, where appropriate, been used in this Offering Circular:

£ or Sterling	:	The lawful currency of the United Kingdom
Additional Distribution Amount	:	The amount of distribution accruing to the Arrears of Distribution as if it constituted the principal of the Perpetual Securities at the same rate of distribution
Agency Agreement	:	The agency agreement relating to the Programme between the Issuers, the Guarantor, The Hongkong and Shanghai Banking Corporation Limited as Principal Paying Agent, Registrar, Transfer Agent, CMU Lodging and Paying Agent, The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch as CDP Paying Agent and HSBC Institutional Trust Services (Singapore) Limited as Trustee
Agents	:	The Principal Paying Agent, Paying Agents, Registrar, Transfer Agents, CMU Lodging and Paying Agent, CDP Paying Agent and calculation agent(s) for the time being (if any)
Arrangers	:	DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited and Standard Chartered Bank
Arrears of Distribution	:	Any distribution deferred pursuant to Condition 4.6 of the Perpetual Securities
CDP	:	The Central Depository (Pte) Limited
CDP Deeds of Covenant	:	The separate deeds of covenant each dated 22 November 2012 made by the relevant Issuer relating to the Notes and Perpetual Securities to be cleared through CDP
CDP Paying Agent	:	The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch
Clearstream, Luxembourg	:	Clearstream Banking, société anonyme
CMU Lodging and Paying Agent	:	The Hongkong and Shanghai Banking Corporation Limited
CMU Service	:	The Central Moneymarkets Unit Service operated by the HKMA
Companies Act	:	Companies Act, Chapter 50 of Singapore as amended
Conditions	:	The Terms and Conditions of the Notes or the Terms and Conditions of the Perpetual Securities, as the case may be

Depository Agreement	:	The separate application forms each dated 22 November 2012 and signed by the relevant Issuer and CDP in respect of Notes and Perpetual Securities to be cleared through CDP, together with the terms and conditions for the provision of depository services by the depository referred to therein
Direct Rights	:	Direct rights which holders of Notes and Perpetual Securities may acquire against the relevant Issuer under the provisions of the relevant CDP Deed of Covenant in relation to Notes and Perpetual Securities cleared through CDP
Distribution	:	Any distribution as referred to in the Conditions of the Perpetual Securities
EURIBOR	:	The Euro-zone interbank offered rate
euro or €	:	The lawful currency of member states of the European Union that adopt the single currency introduced in accordance with the Treaty establishing the European Community, as amended from time to time
Euroclear	:	Euroclear Bank S.A./N.V.
Exchange Event	:	The relevant Exchange Event under which Notes and Perpetual Securities in global form (whether in bearer or registered form) will be exchangeable, in whole but not in part, for Notes and Perpetual Securities (as the case may be) in definitive form, as set out in “ <i>Form of the Notes</i> ” and “ <i>Form of the Perpetual Securities</i> ”
FY2010	:	Financial year ended 31 December 2010
FY2011	:	Financial year ended 31 December 2011
Group	:	KLL and its subsidiaries
Guarantee	:	The guarantee given by the Guarantor pursuant to which Notes and Perpetual Securities issued by KLFS will be unconditionally and irrevocably guaranteed by the Guarantor in accordance with the Terms and Conditions of the Notes and the Terms and Conditions of the Perpetual Securities.
Guarantor	:	KLL in its capacity as Guarantor of Notes and Perpetual Securities issued by KLFS
HKMA	:	Hong Kong Monetary Authority
Hong Kong or Hong Kong SAR	:	Hong Kong Special Administrative Region of the People’s Republic of China
IRAS	:	The Inland Revenue Authority of Singapore
Issuers	:	KLL and KLFS, and Issuer means either one of them
ITA	:	Income Tax Act, Chapter 134 of Singapore

LIBOR	:	The London interbank offered rate
MAS	:	Monetary Authority of Singapore
Noteholders	:	Holders of Notes
Paying Agent	:	Any paying agent in respect of the Notes and Perpetual Securities
PBOC	:	People's Bank of China
PRC	:	The People's Republic of China
Pricing Supplement	:	In relation to a Series or Tranche, a pricing supplement specifying the relevant issue details in relation to such Series or Tranche
Principal Paying Agent, Registrar or Transfer Agent	:	The Hongkong and Shanghai Banking Corporation Limited
Programme	:	The U.S.\$3,000,000,000 Multicurrency Medium Term Note Programme of the Issuers
Programme Agreement	:	The programme agreement relating to the establishment of the Programme dated 22 November 2012 between the Issuers, the Guarantor, the Arrangers and the Dealers
Regulation S	:	Regulation S under the Securities Act
Relevant Issuer	:	KLFS or KLL, as the case may be, as issuer of the Notes or Perpetual Securities under the Programme as specified in the applicable Pricing Supplement
RMB or Renminbi	:	The lawful currency of the People's Republic of China
RMB Notes	:	Notes denominated in RMB
RMB Perpetual Securities	:	Perpetual Securities denominated in RMB
Securities Act	:	U.S. Securities Act of 1933, as amended
S\$ or Singapore dollars and cents	:	The lawful currency of the Republic of Singapore
Securities	:	The Notes and the Perpetual Securities collectively
Securityholders	:	Holders of Perpetual Securities
Senior Perpetual Securities	:	Perpetual Securities which are specified as Senior in the applicable Pricing Supplement
SFA	:	Securities and Futures Act, Chapter 289 of Singapore as amended
SFRS	:	Singapore Financial Reporting Standards

SGX-ST	:	Singapore Exchange Securities Trading Limited
SIBOR	:	The Singapore Dollar interbank offered rate
SOR	:	The Singapore Dollar swap offer rate
Subordinated Perpetual Securities	:	Perpetual Securities which are specified as Subordinated in the applicable Pricing Supplement
Target2 System	:	The Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System
Trust Deed	:	(a) In the case of Notes and Perpetual Securities specified to be governed by English law in the applicable Pricing Supplement, the English law Trust Deed as modified and/or supplemented and/or restated from time to time dated 22 November 2012 made between the Issuers, the Guarantor and the Trustee; or (b) In the case of Notes and Perpetual Securities specified to be governed by Singapore law in the applicable Pricing Supplement, the Singapore law Trust Deed as modified and/or supplemented and/or restated from time to time dated 22 November 2012 made between the Issuers, the Guarantor and the Trustee which incorporates the provisions of the English law Trust Deed dated 22 November 2012 made between the Issuers, the Guarantor and the Trustee (subject to certain modifications and amendments required under Singapore law)
Trustee	:	HSBC Institutional Trust Services (Singapore) Limited
US\$ or U.S. dollars	:	The lawful currency of the United States of America
Winding-Up	:	With respect to the relevant Issuer or the Guarantor, a final and effective order or resolution for the bankruptcy, winding-up, liquidation, receivership or similar proceedings in respect of the Issuer or the Guarantor, as the case may be, under the law of any jurisdiction in which it is incorporated, domiciled or resident or carries on business or has assets.
%	:	per cent.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations. Any reference to a time of day in this Offering Circular shall be a reference to Singapore time unless otherwise stated. Any reference in this Offering Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or the SFA or any statutory modification thereof and used in this Offering Circular shall, where applicable, have the meaning ascribed to it under the Companies Act or, as the case may be, the SFA.

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THIRD QUARTER 2012 FINANCIAL STATEMENTS ANNOUNCEMENT

UNAUDITED RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012

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1. UNAUDITED RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012

The Directors of Keppel Land Limited announce the following unaudited results of the Group for the nine months ended 30 September 2012:

1(a) GROUP PROFIT AND LOSS ACCOUNT for the Nine Months Ended 30 September 2012

	Note	Third Quarter			Nine Months		
		30.09.12 \$'000	30.09.11 \$'000	+ / (-) %	30.09.12 \$'000	30.09.11 \$'000	+ / (-) %
Sales		166,413	111,722	49.0	466,934	573,801	(18.6)
Cost of sales		(120,090)	(46,082)	160.6	(295,699)	(368,239)	(19.7)
Gross profit		46,323	65,640	(29.4)	171,235	205,562	(16.7)
Distribution costs	1	(3,027)	(2,795)	8.3	(10,696)	(15,346)	(30.3)
Administrative and other expenses	2	(18,126)	(34,406)	(47.3)	(85,458)	(76,594)	11.6
Other income	3	4,603	5,256	(12.4)	17,172	17,288	(0.7)
Investment income	4	102	3,047	(96.7)	1,764	10,855	(83.7)
Interest income	5	10,324	8,819	17.1	28,982	19,440	49.1
Interest expense	5	(11,621)	(9,724)	19.5	(34,494)	(25,844)	33.5
Share of results of associated companies	6	47,660	29,734	60.3	275,798	82,739	233.3
Other gains/(losses)	7	16,667	-	nm	16,667	24,418	(31.7)
Profit before taxation		92,905	65,571	41.7	380,970	242,518	57.1
Taxation		(14,349)	(3,792)	278.4	(61,494)	(26,942)	128.2
Profit for the period		78,556	61,779	27.2	319,476	215,576	48.2
Profit attributable to:							
Shareholders of the Company		74,496	57,970	28.5	311,073	191,780	62.2
Non-controlling interests		4,060	3,809	6.6	8,403	23,796	(64.7)
		78,556	61,779	27.2	319,476	215,576	48.2
Basic earnings per share (cents)		4.9	4.0		20.6	13.1	
Diluted earnings per share (cents)		4.9	4.0		20.6	13.1	
Annualised return on equity (%) *		nm	nm		6.8	5.8	
Profit before taxation is arrived at after charging/(crediting) the following:							
Depreciation charge		2,242	1,948		6,909	5,888	
Profit on sale of fixed assets and investment properties		(6)	(20)		(8)	(2,408)	
Write-back of allowance for foreseeable losses on properties held for sale		-	(3,202)		(3,573)	(7,058)	
Allowance/(write-back of allowance) for doubtful debts		2	2		50	(486)	
Cost of share-based payments							
- Cash-settled		103	27		143	115	
- Equity-settled		1,475	1,376		2,944	3,001	
Foreign exchange losses		5	1,545		3,380	6,551	
Fair value (gains)/losses on foreign currency forward contracts		(1,375)	583		(3,272)	(1,258)	
Employee emoluments ^		21,024	30,933		89,630	85,786	

nm - not meaningful

* Annualised return on equity for YTD 3Q2011 has been restated to include the effects of adoption of the Amendments to FRS 12 *Deferred Tax: Recovery of Underlying Assets*.

^ Employee emoluments are included in cost of sales, distribution costs, and administrative and other expenses.

Change in the Accounting Policy

From 1 January 2012, the Group adopted the Amendments to FRS 12 *Deferred Tax: Recovery of Underlying Assets*.

The Group previously provided for deferred tax liabilities for its investment properties on the basis that the carrying amount of the investment properties will be recovered through use. Upon adoption of the Amendments to FRS 12, there is a presumption that the carrying amount of an investment property measured at fair value will be recovered entirely through sale. Accordingly, there will be no deferred tax liability on investment properties in Singapore as there is no tax on capital gains in Singapore.

This change in accounting policy has been applied retrospectively, and the comparative figures have been restated. However, there is no impact on the YTD 3Q2011 results, as deferred taxes on investment properties were taken up only in 4Q2011.

Please refer to Section 5 for more details.

Notes to Group Profit and Loss Account

1. The decrease in distribution costs in YTD 3Q2012 was in line with the lower sales.
2. Administrative and other expenses comprised primarily staff costs, cost of share-based payments, depreciation charge, office overheads and exchange losses. The increase in YTD 3Q2012 was due mainly to higher staff costs on account of an increase in headcount as well as lower costs being capitalised as part of the project costs as a result of fewer projects in YTD 3Q2012. These increases were partly offset by lower exchange loss, and the write-back of excess provisions no longer required.
3. Other income for YTD 3Q2012 related mainly to net lease income from Keppel Towers and GE Tower ("KTGE") pending its redevelopment. Other income for YTD 3Q2011 comprised net lease income from KTGE and gain from the sale of units at Orion Industrial Building and Quartz Industrial Building.
4. The decrease in investment income was due primarily to lower dividend income received from the Group's investments in the funds managed by the wholly-owned Alpha Investment Partners Limited ("Alpha").
5. The decrease in net interest expense for YTD 3Q2012 was in line with the lower net debt-equity ratio as at end-September 2012 compared with that as at end-September 2011.
6. The higher profits from the associated companies in YTD 3Q2012 were due largely to a higher contribution from Reflections at Keppel Bay following the handover of units sold under the deferred payment scheme to the purchasers. There was also improved performance from Keppel REIT (formerly known as K-REIT Asia) as a result of an enlarged property portfolio following its acquisition of Ocean Financial Centre ("OFC") in December 2011. Contributions from Marina Bay Suites had also increased on account of a higher percentage of physical completion as well as more units sold.
7. Other gains/(losses) for YTD 3Q2012 comprised:

	Nine Months	
	30.09.12	30.09.11
	\$'000	\$'000
Gain from the divestment of Keppel Digihub Ltd ("Keppel Digihub")	-	24,418
Gain from the divestment of 22.7% effective interest in Saigon Centre Phase 2	16,676	-
Gain on remeasurement of previously held equity interest in Kingsdale Development Pte Ltd ("Kingsdale") Group at fair value	23,129	-
Impairment loss on goodwill arising from the acquisition of Kingsdale Group	(23,138)	-
	16,667	24,418

**1(b) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the Nine Months Ended 30 September 2012**

	Note	Third Quarter		Nine Months	
		30.09.12	30.09.11	30.09.12	30.09.11
		\$'000	\$'000	\$'000	\$'000
Profit for the period		78,556	61,779	319,476	215,576
Other comprehensive income:					
Available-for-sale financial assets					
- Net fair value change		(1)	1,782	5,247	(4,819)
Exchange differences on consolidation	1	(111,777)	40,691	(147,372)	(78,668)
Exchange differences transferred to profit and loss account	2	2,275	172	2,275	(4,826)
Share of other comprehensive income of associated companies	3	(10,640)	(10,444)	(23,813)	(28,355)
Share of other comprehensive income of jointly controlled entities		(851)	-	(851)	-
Other comprehensive income for the period, net of tax		(120,994)	32,201	(164,514)	(116,668)
Total comprehensive income for the period		(42,438)	93,980	154,962	98,908
Total comprehensive income attributable to :					
Shareholders of the Company		(28,980)	88,839	168,275	98,869
Non-controlling interests		(13,458)	5,141	(13,313)	39
		(42,438)	93,980	154,962	98,908

Notes to Consolidated Statement of Comprehensive Income

1. These exchange differences arose from the translation of financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency as well as from the translation of foreign currency loans that form part of the Group's net investment in foreign operations. The translation losses for 3Q2012, YTD 3Q2012 and YTD 3Q2011 were due largely to the strengthening of Singapore dollar against the United States dollar, Renminbi, Vietnamese dong and Indonesian rupiah. The translation gain for 3Q2011 was due mostly to the appreciation of the United States dollar and Renminbi against the Singapore dollar.
2. These represented exchange differences which were transferred to the profit and loss account upon the disposal or liquidation of foreign operations.
3. The share of other comprehensive income of associated companies for 3Q2012 related primarily to the Group's share of foreign associated companies' translation losses as a result of the weakening of United States dollar, Renminbi and Vietnamese dong against the Singapore dollar. For 3Q2011, it related mainly to the share of Keppel REIT's cash flow hedge loss.

On the year-to-date basis, it comprised mainly the share of Keppel REIT's cash flow hedge loss as well as the share of foreign associated companies' translation losses for the same reasons mentioned above.

1(c)(i) BALANCE SHEETS as at 30 September 2012

	Note	GROUP			COMPANY	
		30.09.12	31.12.11	31.12.10	30.09.12	31.12.11
			(Restated)	(Restated)		
		\$'000	\$'000	\$'000	\$'000	\$'000
Share capital		2,392,589	2,219,880	2,061,020	2,392,589	2,219,880
Reserves		3,222,243	3,355,434	2,214,716	1,469,003	1,569,526
Share capital and reserves	1	5,614,832	5,575,314	4,275,736	3,861,592	3,789,406
Non-controlling interests	2	477,640	295,680	309,232	-	-
Total equity		6,092,472	5,870,994	4,584,968	3,861,592	3,789,406
Long-term borrowings	3	2,038,028	2,336,200	2,199,669	1,258,700	1,565,373
		8,130,500	8,207,194	6,784,637	5,120,292	5,354,779
Represented by:						
Fixed assets		290,301	203,733	206,595	32	38
Investment properties	2	1,219,146	634,051	1,699,840	-	-
Amounts owing by associated companies		569,350	542,587	446,161	-	-
Other non-current asset		103,900	103,900	-	-	-
Investments						
Subsidiary companies		-	-	-	1,318,267	1,318,267
Associated companies		2,126,428	2,137,796	1,415,371	70,380	70,015
Jointly controlled entities		20,100	-	-	-	-
Long-term investments		122,222	125,763	111,338	9,088	8,366
		2,268,750	2,263,559	1,526,709	1,397,735	1,396,648
Current assets						
Properties held for sale	4	3,761,715	3,148,649	1,977,208	-	-
Stocks		5,771	3,725	3,265	-	-
Debtors	2	357,102	622,595	586,753	4,365	4,167
Amounts owing by holding company and related parties		125,143	157,960	135,269	5,719,390	5,600,065
Cash and cash equivalents		1,486,231	1,941,937	1,589,046	254	429
		5,735,962	5,874,866	4,291,541	5,724,009	5,604,661
Less:						
Current liabilities						
Creditors		1,083,466	1,051,417	894,197	58,346	50,087
Tax provision		95,443	124,066	136,883	10,347	12,137
Short-term borrowings	3	699,217	201,213	316,792	509,782	150,000
Amounts owing to holding company and related parties		12,703	6,306	3,167	1,419,461	1,430,796
		1,890,829	1,383,002	1,351,039	1,997,936	1,643,020
Net current assets		3,845,133	4,491,864	2,940,502	3,726,073	3,961,641
Deferred taxation	2	(166,080)	(32,500)	(35,170)	(3,548)	(3,548)
		8,130,500	8,207,194	6,784,637	5,120,292	5,354,779
Group net debt (\$'000)	5	1,251,014	595,476	927,415		
Group net debt-equity ratio (times)	5	0.21	0.10	0.20		
Net asset value per share (\$)	1	3.64	3.74	2.95		

Review of Financial Position

1. Share capital and reserves for the Group increased by \$39.5 million due largely to the profits retained for the period, which was partly offset by the payment of dividend in June 2012 as well as a decrease in foreign currency translation reserves arising from the strengthening of Singapore dollar against the United States dollar, Renminbi, Vietnamese dong and Indonesian rupiah. As a result of the enlarged share capital following the issue of shares under the dividend reinvestment scheme, the Group's net asset value per share decreased to \$3.64 as at 30 September 2012 from \$3.74 as at 31 December 2011.
2. The increases in the non-controlling interests, investment properties and deferred taxation arose mainly from the acquisition of Aether Pte Ltd Group which has a 51% interest in a commercial project in Beijing, China in 1Q2012. In addition, the decrease in the debtors was due largely to a reclassification of the advance payment made in prior year following the completion of this acquisition.
3. The variances in the long-term borrowings and short-term borrowings mainly resulted from a reclassification of the \$300 million convertible bonds due 23 June 2013, from long-term borrowings to short-term borrowings.
4. The Group's properties held for sale increased by \$613.1 million due to land acquisition costs and development expenditures incurred, offset by progress billings received during the current period.
5. The Group's net debt-equity ratio was 0.21 at end-September 2012, compared with 0.10 at end-December 2011, due mainly to the partial land payments for the residential developments in the Binhu District of Wuxi and in Nanxiang Town, Jiading District in Shanghai as well as dividend payment.

1(c)(ii) GROUP'S BORROWINGS AND DEBT SECURITIES**Amount Repayable in One Year or Less, or on Demand**

As at 30.09.12		As at 31.12.11	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
158,600	540,617	19,423	181,790

Amount Repayable after One Year

As at 30.09.12		As at 31.12.11	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
313,893	1,724,135	452,750	1,883,450

In addition to funds from internal sources and related companies, the Group obtained its funds from the capital market through the US\$800 Million Medium Term Note Programme and banks either on a bilateral or on a syndicated basis. At end-September 2012, about 53% of the Group's borrowings were on fixed interest rate basis.

Details of Any Collateral

Certain subsidiaries of the Company pledged their assets in order to obtain loans from financial institutions. The net book value of properties and other assets mortgaged to financial institutions amounted to \$1,003.8 million (31.12.11: \$1,144.8 million).

**1(d)(i) STATEMENTS OF CHANGES IN EQUITY
for the Nine Months Ended 30 September 2012**

	Share Capital	Capital Reserves	Foreign Currency Translation Account	Revenue Reserves	Total	Non- controlling Interests	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
GROUP							
Balance at 1 January 2012, as previously reported	2,219,880	70,317	(49,041)	3,178,063	5,419,219	294,401	5,713,620
Effects of adopting Amendments to FRS 12	-	-	-	156,095	156,095	1,279	157,374
Balance at 1 January 2012, as restated	2,219,880	70,317	(49,041)	3,334,158	5,575,314	295,680	5,870,994
Total comprehensive income for the period							
Profit for the period	-	-	-	236,577	236,577	4,343	240,920
Other comprehensive income *	-	(2,516)	(36,806)	-	(39,322)	(4,198)	(43,520)
Total comprehensive income for the period	-	(2,516)	(36,806)	236,577	197,255	145	197,400
Transactions with owners, recognised directly in equity							
<u>Contributions by and distributions to owners</u>							
Issue of shares							
- Under the Dividend Reinvestment Scheme	168,828	-	-	-	168,828	-	168,828
- Under the Keppel Land Restricted Share Plan	2,173	(2,173)	-	-	-	-	-
- Under the Keppel Land Share Option Scheme	1,573	-	-	-	1,573	-	1,573
- Upon the conversion of bonds due 2015	200	-	-	-	200	-	200
Share issuance expenses	(165)	-	-	-	(165)	-	(165)
Cost of share-based payments	-	1,469	-	-	1,469	-	1,469
Dividend paid							
- Cash	-	-	-	(129,395)	(129,395)	(3,184)	(132,579)
- Shares	-	-	-	(168,828)	(168,828)	-	(168,828)
Transfer from revenue reserves to capital reserves	-	124	-	(124)	-	-	-
Total contributions by and distributions to owners	172,609	(580)	-	(298,347)	(126,318)	(3,184)	(129,502)
<u>Changes in ownership interests in subsidiary companies</u>							
Acquisition of subsidiary companies							
	-	-	-	-	-	187,342	187,342
Total changes in ownership interests in subsidiary companies	-	-	-	-	-	187,342	187,342
Total transactions with owners	172,609	(580)	-	(298,347)	(126,318)	184,158	57,840
Other reserves - Share of capital reserve of an associated company	-	1,059	-	-	1,059	-	1,059
Balance at 30 June 2012	2,392,489	68,280	(85,847)	3,272,388	5,647,310	479,983	6,127,293

**1(d)(i) STATEMENTS OF CHANGES IN EQUITY - continued
for the Nine Months Ended 30 September 2012**

	Share Capital	Capital Reserves	Foreign Currency Translation Account	Revenue Reserves	Total	Non- controlling Interests	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
GROUP							
Balance at 30 June 2012	2,392,489	68,280	(85,847)	3,272,388	5,647,310	479,983	6,127,293
Total comprehensive income for the period							
Profit for the period	-	-	-	74,496	74,496	4,060	78,556
Other comprehensive income *	-	1,168	(104,644)	-	(103,476)	(17,518)	(120,994)
Total comprehensive income for the period	-	1,168	(104,644)	74,496	(28,980)	(13,458)	(42,438)
Transactions with owners, recognised directly in equity							
<u>Contributions by and distributions to owners</u>							
Issue of shares							
- Under the Keppel Land Share Option Scheme	100	-	-	-	100	-	100
Cost of share-based payments	-	1,475	-	-	1,475	-	1,475
Dividend paid	-	-	-	-	-	(260)	(260)
Total contributions by and distributions to owners	100	1,475	-	-	1,575	(260)	1,315
<u>Changes in ownership interests in subsidiary companies</u>							
Acquisition of subsidiary companies	-	-	-	-	-	37,457	37,457
Acquisition of non-controlling interests	-	(5,073)	-	-	(5,073)	(11,273)	(16,346)
Disposal of subsidiary companies	-	-	-	-	-	(14,809)	(14,809)
Total changes in ownership interests in subsidiary companies	-	(5,073)	-	-	(5,073)	11,375	6,302
Total transactions with owners	100	(3,598)	-	-	(3,498)	11,115	7,617
Balance at 30 September 2012	2,392,589	65,850	(190,491)	3,346,884	5,614,832	477,640	6,092,472

* Details of other comprehensive income have been included in the consolidated statement of comprehensive income.

**1(d)(i) STATEMENTS OF CHANGES IN EQUITY - continued
for the Nine Months Ended 30 September 2012**

	Share Capital	Capital Reserves	Foreign Currency Translation Account	Revenue Reserves	Total	Non- controlling Interests	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
GROUP							
Balance at 1 January 2011, as previously reported	2,061,020	23,341	(67,531)	2,111,847	4,128,677	301,836	4,430,513
Effects of adopting Amendments to FRS 12	-	-	-	147,059	147,059	7,396	154,455
Balance at 1 January 2011, as restated	2,061,020	23,341	(67,531)	2,258,906	4,275,736	309,232	4,584,968
Total comprehensive income for the period							
Profit for the period	-	-	-	133,810	133,810	19,987	153,797
Other comprehensive income *	-	(12,066)	(111,714)	-	(123,780)	(25,089)	(148,869)
Total comprehensive income for the period	-	(12,066)	(111,714)	133,810	10,030	(5,102)	4,928
Transactions with owners, recognised directly in equity							
<u>Contributions by and distributions to owners</u>							
Issue of shares							
- Under the Dividend Reinvestment Scheme	154,411	-	-	-	154,411	-	154,411
- Under the Keppel Land Restricted Share Plan	1,126	(1,126)	-	-	-	-	-
- Under the Keppel Land Share Option Scheme	3,312	-	-	-	3,312	-	3,312
Share issuance expenses	(160)	-	-	-	(160)	-	(160)
Cost of share-based payments	-	1,625	-	-	1,625	-	1,625
Capital contribution	-	-	-	-	-	8,100	8,100
Dividend paid							
- Cash	-	-	-	(106,938)	(106,938)	(143)	(107,081)
- Shares	-	-	-	(154,411)	(154,411)	-	(154,411)
Total contributions by and distributions to owners	158,689	499	-	(261,349)	(102,161)	7,957	(94,204)
<u>Changes in ownership interests in subsidiary companies</u>							
Disposal of interest in a subsidiary company without loss of control							
	-	12,932	-	-	12,932	12,059	24,991
Total changes in ownership interests in subsidiary companies	-	12,932	-	-	12,932	12,059	24,991
Total transactions with owners	158,689	13,431	-	(261,349)	(89,229)	20,016	(69,213)
Balance at 30 June 2011	2,219,709	24,706	(179,245)	2,131,367	4,196,537	324,146	4,520,683
Total comprehensive income for the period							
Profit for the period	-	-	-	57,970	57,970	3,809	61,779
Other comprehensive income *	-	(8,719)	39,588	-	30,869	1,332	32,201
Total comprehensive income for the period	-	(8,719)	39,588	57,970	88,839	5,141	93,980
Transactions with owners, recognised directly in equity							
<u>Contributions by and distributions to owners</u>							
Issue of shares							
- Under the Keppel Land Share Option Scheme	43	-	-	-	43	-	43
Cost of share-based payments	-	1,376	-	-	1,376	-	1,376
Dividend paid	-	-	-	-	-	(182)	(182)
Transfer from revenue reserves to capital reserves	-	234	-	(234)	-	-	-
Total transactions with owners	43	1,610	-	(234)	1,419	(182)	1,237
Balance at 30 September 2011	2,219,752	17,597	(139,657)	2,189,103	4,286,795	329,105	4,615,900

* Details of other comprehensive income have been included in the consolidated statement of comprehensive income.

**1(d)(i) STATEMENTS OF CHANGES IN EQUITY - continued
for the Nine Months Ended 30 September 2012**

	<u>Share Capital</u> \$'000	<u>Capital Reserves</u> \$'000	<u>Revenue Reserves</u> \$'000	<u>Total Equity</u> \$'000
COMPANY				
Balance at 1 January 2012	2,219,880	66,507	1,503,019	3,789,406
Total comprehensive income for the period				
Profit for the period	-	-	185,873	185,873
Other comprehensive income	-	722	-	722
Total comprehensive income for the period	-	722	185,873	186,595
Transactions with owners, recognised directly in equity				
<u>Contributions by and distributions to owners</u>				
Issue of shares				
- Under the Dividend Reinvestment Scheme	168,828	-	-	168,828
- Under the Keppel Land Restricted Share Plan	2,173	(2,173)	-	-
- Under the Keppel Land Share Option Scheme	1,573	-	-	1,573
- Upon the conversion of bonds due 2015	200	-	-	200
Share issuance expenses	(165)	-	-	(165)
Cost of share-based payments	-	1,469	-	1,469
Dividend paid				
- Cash	-	-	(129,395)	(129,395)
- Shares	-	-	(168,828)	(168,828)
Total transactions with owners	172,609	(704)	(298,223)	(126,318)
Balance at 30 June 2012	2,392,489	66,525	1,390,669	3,849,683
Total comprehensive income for the period				
Profit for the period	-	-	10,334	10,334
Total comprehensive income for the period	-	-	10,334	10,334
Transactions with owners, recognised directly in equity				
<u>Contributions by and distributions to owners</u>				
Issue of shares				
- Under the Keppel Land Share Option Scheme	100	-	-	100
Cost of share-based payments	-	1,475	-	1,475
Total transactions with owners	100	1,475	-	1,575
Balance at 30 September 2012	2,392,589	68,000	1,401,003	3,861,592

**1(d)(i) STATEMENTS OF CHANGES IN EQUITY - continued
for the Nine Months Ended 30 September 2012**

	<u>Share Capital</u> \$'000	<u>Capital Reserves</u> \$'000	<u>Revenue Reserves</u> \$'000	<u>Total Equity</u> \$'000
COMPANY				
Balance at 1 January 2011	2,061,020	62,218	897,939	3,021,177
Total comprehensive income for the period				
Profit for the period	-	-	47,447	47,447
Other comprehensive income	-	478	-	478
Total comprehensive income for the period	-	478	47,447	47,925
Transactions with owners, recognised directly in equity				
<u>Contributions by and distributions to owners</u>				
Issue of shares				
- Under the Dividend Reinvestment Scheme	154,411	-	-	154,411
- Under the Keppel Land Restricted Share Plan	1,126	(1,126)	-	-
- Under the Keppel Land Share Option Scheme	3,312	-	-	3,312
Share issuance expenses	(160)	-	-	(160)
Cost of share-based payments	-	1,625	-	1,625
Dividend paid				
- Cash	-	-	(106,938)	(106,938)
- Shares	-	-	(154,411)	(154,411)
Total transactions with owners	158,689	499	(261,349)	(102,161)
Balance at 30 June 2011	2,219,709	63,195	684,037	2,966,941
Total comprehensive income for the period				
Profit for the period	-	-	11,543	11,543
Other comprehensive income	-	292	-	292
Total comprehensive income for the period	-	292	11,543	11,835
Transactions with owners, recognised directly in equity				
<u>Contributions by and distributions to owners</u>				
Issue of shares				
- Under the Keppel Land Share Option Scheme	43	-	-	43
Cost of share-based payments	-	1,376	-	1,376
Total transactions with owners	43	1,376	-	1,419
Balance at 30 September 2011	2,219,752	64,863	695,580	2,980,195

1(d)(ii) SHARE CAPITAL
Share Capital and Treasury Shares

During the quarter ended 30 September 2012, the Company issued 37,500 ordinary shares upon the exercise of options granted under the Keppel Land Share Option Scheme to executive employees.

The share capital of the Company as at 30 September 2012 comprised 1,544,245,513 ordinary shares (31.12.11: 1,489,943,654 ordinary shares).

As at 30 September 2012, the Company did not hold any treasury shares (30.09.11: Nil).

Outstanding Share Options and Convertible Bonds

As at 30 September 2012, there were unexercised options for 3,106,096 (30.09.11: 3,865,683) of unissued ordinary shares under the Keppel Land Share Option Scheme. In addition, the \$300 million convertible bond issued in 2006 could be converted into 53,763,440 shares (30.09.11: 53,763,440 shares) at the adjusted conversion price of \$5.58 per share (30.09.11: \$5.58 per share). The \$500 million convertible bond issued on 29 November 2010, after adjusting for the conversion of \$200,000 by a bondholder, could be converted into 74,375,000 shares (30.09.11: 74,404,761 shares) at the conversion price of \$6.72 per share (30.09.11: \$6.72 per share).

Restricted Share Plan and Performance Share Plan

At the extraordinary general meeting of the Company held on 23 April 2010, the Company's shareholders approved the adoption of two new share plans, namely the Keppel Land Restricted Share Plan ("KLL RSP") and Keppel Land Performance Share Plan ("KLL PSP"), with effect from the date of termination of the Keppel Land Share Option Scheme ("the Scheme"). The Scheme was terminated on 30 June 2010. Options granted and outstanding prior to the termination will continue to be valid and subject to the terms and conditions of the Scheme.

The movements in the number of shares under KLL RSP and KLL PSP are as follows:

Date of Grant	Number of Shares				At 30.09.12
	At 01.01.12	Contingent Awards Granted	Vested	Cancelled	
KLL RSP					
30.06.10 ⁽¹⁾	571,000	-	(286,000)	-	285,000
30.06.11 ⁽¹⁾	922,200	-	(306,400)	(16,500)	599,300
29.06.12 ⁽²⁾	-	1,059,000	-	-	1,059,000
	<u>1,493,200</u>	<u>1,059,000</u>	<u>(592,400)</u>	<u>(16,500)</u>	<u>1,943,300</u>
KLL PSP					
30.06.10 ⁽³⁾	656,000	-	-	-	656,000
30.06.11 ⁽³⁾	524,000	-	-	-	524,000
29.06.12 ⁽³⁾	-	480,000	-	-	480,000
	<u>1,180,000</u>	<u>480,000</u>	<u>-</u>	<u>-</u>	<u>1,660,000</u>

Notes:

⁽¹⁾ As at 30 September 2012, there were 884,300 (30.09.11: 577,000) restricted shares that were released but not vested.

⁽²⁾ Depending on the achievement of pre-determined targets, the actual number of shares to be released could be zero or the number stated.

⁽³⁾ Depending on the achievement of pre-determined targets, the actual number of shares to be released could range from zero to 150% of the numbers stated.

**1(e) CONSOLIDATED CASH FLOW STATEMENT
for the Nine Months Ended 30 September 2012**

Note	Third Quarter		Nine Months	
	30.09.12 \$'000	30.09.11 \$'000	30.09.12 \$'000	30.09.11 \$'000
Operating activities:				
Profit before taxation	92,905	65,571	380,970	242,518
Adjustments for:				
Depreciation charge	2,242	1,948	6,909	5,888
Profit on sale of fixed assets and investment properties	(6)	(20)	(8)	(2,408)
Write-back of allowance for foreseeable losses				
on properties held for sale	-	(3,202)	(3,573)	(7,058)
Allowance/(write-back of allowance) for doubtful debts	2	2	50	(486)
Cost of share-based payments	1,578	1,403	3,087	3,116
Interest and investment income	(10,426)	(11,866)	(30,746)	(30,295)
Interest expense	11,621	9,724	34,494	25,844
Share of results of associated companies	(47,660)	(29,734)	(275,798)	(82,739)
Other gains/(losses)	(16,667)	-	(16,667)	(24,418)
Operating cash flows before changes in working capital	33,589	33,826	98,718	129,962
Working capital changes:				
Debtors	30,196	(255,368)	227,853	(38,298)
Creditors	(6,399)	(30,241)	(108,517)	(18,343)
Work-in-progress	(21,316)	(11,764)	(56,167)	(13,376)
Consumable stocks	193	1,022	27	(397)
Development expenditures	(152,640)	(171,924)	(914,545)	(1,253,758)
Progress billings received/receivable	73,770	91,692	318,941	333,609
Cash flows used in operations	(42,607)	(342,757)	(433,690)	(860,601)
Interest received	10,324	8,819	28,982	19,440
Interest paid	(8,718)	(6,887)	(25,905)	(17,525)
Income taxes paid	(5,935)	(10,935)	(40,199)	(38,202)
Net cash flows used in operating activities	(46,936)	(351,760)	(470,812)	(896,888)
Investing activities:				
Acquisition of subsidiary companies	1 (42,539)	-	(209,468)	-
Disposal of subsidiary companies	2 28,186	-	28,186	18,149
Investment in associated companies	(4,988)	(2,838)	(46,037)	(29,452)
Investment in investee companies	-	(1,178)	-	(7,442)
Purchase of fixed assets	(5,581)	(2,716)	(17,035)	(9,180)
Expenditure on investment properties	(19,601)	(2,493)	(21,596)	(114,555)
Proceeds from sale of fixed assets and investment properties	88	69	117	14,741
Redemption of shares by investee companies	1,864	-	6,210	-
Dividends received from associated companies	46,609	34,284	252,109	66,613
Dividends received from investee companies	102	3,047	1,764	10,855
Net cash flows from/(used in) investing activities	4,140	28,175	(5,750)	(50,271)

**1(e) CONSOLIDATED CASH FLOW STATEMENT - continued
for the Nine Months Ended 30 September 2012**

	Note	Third Quarter		Nine Months	
		30.09.12 \$'000	30.09.11 \$'000	30.09.12 \$'000	30.09.11 \$'000
Financing activities:					
Proceeds from issuance of shares, net of expenses in relation to Dividend Reinvestment Scheme		100	43	1,508	3,195
Drawdown of loans		130,820	434,173	491,009	671,155
Repayment of loans		(139,473)	(174,404)	(270,915)	(283,977)
(Repayment of loans to)/loans from related companies		(254)	4,534	1,286	(813)
Repayment by associated companies		12,088	579	32,995	15,148
Loans to associated companies		(16,605)	(70,515)	(63,768)	(122,098)
Dividends paid to shareholders		-	-	(129,395)	(106,938)
Proceeds from disposal of interest in a subsidiary company without loss of control		-	-	-	24,991
Acquisition of non-controlling interests	3	(16,346)	-	(16,346)	-
Advances from non-controlling shareholders		3,026	1,465	16,282	5,784
Advances to non-controlling shareholders		-	(9,593)	(11,600)	(40,256)
Contribution from non-controlling shareholders		-	-	-	8,100
Dividends paid to non-controlling shareholders		(260)	(182)	(3,444)	(325)
Net cash flows (used in)/from financing activities		(26,904)	186,100	47,612	173,966
Net decrease in cash and cash equivalents		(69,700)	(137,485)	(428,950)	(773,193)
Cash and cash equivalents at beginning of period		1,577,659	930,914	1,941,937	1,589,046
Exchange adjustments		(21,728)	6,852	(26,756)	(15,572)
Cash and cash equivalents at end of period		1,486,231	800,281	1,486,231	800,281

Notes to Consolidated Cash Flow Statement

1. During the quarter ended 31 March 2012, the Group acquired an interest in Aether Pte Ltd (“Aether Singapore”) through a wholly-owned subsidiary company, Triumph Jubilee Limited. Aether Singapore indirectly owns 51% interest in Beijing Aether Property Development Ltd which is a property development company involved in a commercial project in Beijing, China.

On 25 September 2012, the Group acquired an additional 36% interest in Kingsdale Group through an indirect wholly-owned subsidiary company, Kingsley Investment Pte Ltd. Prior to the acquisition, the Group owns 50% of the total issued share capital of Kingsdale.

The cash flows and the net assets acquired were as follows:

	Third Quarter		Nine Months	
	30.09.12 \$'000	30.09.11 \$'000	30.09.12 \$'000	30.09.11 \$'000
Investment properties	-	-	582,931	-
Properties held for sale	77,473	-	77,473	-
Stocks	2,067	-	2,067	-
Fixed assets	109,804	-	109,998	-
Debtors	1,357	-	1,536	-
Cash and cash equivalents	32,767	-	33,059	-
Amounts due to related companies	(38,652)	-	(81,910)	-
Shareholders' loans	(27,920)	-	(27,920)	-
Creditors	(42,174)	-	(112,721)	-
Taxation	(67)	-	(67)	-
Deferred taxation	(19,275)	-	(134,503)	-
Net identifiable assets at fair value	95,380	-	449,943	-
Non-controlling interests measured at non-controlling interests' proportionate share of the net assets	(37,457)	-	(224,799)	-
Amount previously accounted for as an associated company	(10,546)	-	(10,546)	-
Net assets acquired	47,377	-	214,598	-
Assumption of shareholders' loans	27,920	-	27,920	-
Gain on remeasurement of previously held equity interest at fair value at acquisition date	(23,129)	-	(23,129)	-
Goodwill arising from acquisition	23,138	-	23,138	-
Total purchase consideration	75,306	-	242,527	-
Less: cash and cash equivalents acquired	(32,767)	-	(33,059)	-
Net cash outflow on acquisition	42,539	-	209,468	-

Notes to Consolidated Cash Flow Statement - continued

2. On 25 January 2011, the Group disposed of Keppel Digihub, a wholly-owned subsidiary company, to the data centre joint venture company in which the Group holds a 30% interest.

During the quarter ended 30 September 2012, the Group completed the divestment of 22.7% effective interest in Saigon Centre Phase 2 to Toshin Development Co., Ltd.

The cash flows and the net assets disposed of were as follows:

	Third Quarter		Nine Months	
	30.09.12 \$'000	30.09.11 \$'000	30.09.12 \$'000	30.09.11 \$'000
Investment properties	-	-	-	53,117
Fixed assets	21,541	-	21,541	85
Properties held for sale	16,776	-	16,776	-
Debtors	3,593	-	3,593	4,144
Amounts due from/(to) related companies	4,723	-	4,723	(68,278)
Cash and cash equivalents	1,277	-	1,277	841
Creditors	(1,629)	-	(1,629)	(5,855)
Deferred taxation	-	-	-	(875)
Tax provision	-	-	-	(72)
Non-controlling interests deconsolidated	(14,809)	-	(14,809)	-
Net assets/(liabilities)	31,472	-	31,472	(16,893)
Less: equity interests retained as jointly controlled entities	(20,960)	-	(20,960)	-
Net assets/(liabilities) disposed	10,512	-	10,512	(16,893)
Sales consideration	29,463	-	29,463	18,990
Less: cash and cash equivalents disposed	(1,277)	-	(1,277)	(841)
Net cash inflow on disposal	28,186	-	28,186	18,149

3. On 14 September 2012, the Group acquired 49% interest in Alverno Investments Limited ("Alverno") from PVPF 6 Limited, a wholly-owned subsidiary company of PRUPIM Vietnam Property Fund Limited, for a consideration of US\$13.3 million (approximately \$16.3 million). The excess of the consideration paid over the net book value of assets acquired amounting to \$5.1 million was taken to equity.

Review of Cash Flows for 3Q2012**(i) Net cash flows used in operating activities**

The Group's net cash used in the operating activities was \$46.9 million compared with \$351.8 million for 3Q2011. The development expenditures for 3Q2012 were largely for the Seasons Park in Tianjin Eco-City as well as The Lakefront Residences and The Luxurie in Singapore. Included in the outflows for 3Q2011 were development costs incurred for various residential projects in Singapore, China and Vietnam as well as a deposit paid for a new project in China. Progress billings received in 3Q2012 were mainly for The Luxurie and The Lakefront Residences in Singapore and The Springdale in Shanghai. Higher progress billings were received in 3Q2011, due mainly to higher collections from The Springdale and the Seasons Park as well as from the sale of remaining units at The Promont and Madison Residences in Singapore.

(ii) Net cash flows from investing activities

The net cash inflow from the investing activities was \$4.1 million compared with \$28.2 million for 3Q2011. Higher dividends were received from the Group's associated companies in 3Q2012, mainly from Keppel REIT. In 3Q2012, the Group completed the divestment of 22.7% effective interest in Saigon Centre Phase 2 to Toshin Development Co., Ltd for a consideration of US\$23 million (approximately \$29.5 million). The major cash outflows for 3Q2012 were for the acquisition of an additional 36% interest in Kingsdale Group as well as development expenditures incurred for the Group's investment properties, mainly for the International Financial Centre Jakarta Tower 2.

(iii) Net cash flows (used in)/from financing activities

A net cash of \$26.9 million was used in the financing activities compared with a net cash inflow of \$186.1 million for 3Q2011. The Group made a net repayment of loan amounting to \$8.7 million compared with a net loan drawdown of \$259.8 million in 3Q2011. In 3Q2012, the Group acquired 49% interest in Alverno from PVPF 6 Limited for a consideration of US\$13.3 million (approximately \$16.3 million). The higher loans extended to the Group's associated companies in 3Q2011 were mainly for the Marina Bay Financial Centre Phase 2 and the data centre joint venture company.

Overall, the net decrease in cash and cash equivalents was \$69.7 million compared with \$137.5 million for 3Q2011.

Review of Cash Flows for YTD 3Q2012**(i) Net cash flows used in operating activities**

The Group's net cash used in the operating activities was \$470.8 million compared with \$896.9 million for YTD 3Q2011. The development expenditures of \$914.5 million for YTD 3Q2012 comprised mainly the partial land payments for two residential developments in Wuxi and Nanxiang Town in Shanghai as well as additional expenditures incurred for The Springdale, Seasons Park and the on-going residential developments in Singapore. The development expenditures for YTD 3Q2011 were largely for the land payments for The Luxurie and two residential sites in Nantong and Chengdu in China. Progress billings received in YTD 3Q2012 were mainly from the Madison Residences, The Lakefront Residences, The Luxurie, The Estella in Ho Chi Minh City and Jakarta Garden City. Higher progress billings were received in YTD 3Q2011, mostly from The Lakefront Residences, Madison Residences, The Springdale, Seasons Park and Jakarta Garden City.

Review of Cash Flows for YTD 3Q2012 - continued**(ii) Net cash flows used in investing activities**

Net cash of \$5.8 million was used in the investing activities compared with \$50.3 million for YTD 3Q2011. Higher dividends were received from the Group's associated companies in YTD 3Q2012, mainly from the Reflections at Keppel Bay project. In addition, the Group received \$6.2 million from the redemption of shares by the investee companies in YTD 3Q2012, compared with a \$7.4 million invested in the investee companies in YTD 3Q2011. The major outflows for YTD 3Q2012 were for the acquisition of the Aether Pte Ltd Group and an additional 36% interest in Kingsdale Group. The Group also made additional investment in the associated companies, mainly for the Sino-Singapore Tianjin Eco-City project. The major outflow for YTD 3Q2011 was the development expenditure for OFC. This outflow was partly offset by the proceeds of \$18.1 million from the disposal of Keppel Digihub as well as proceeds of \$14.7 million from the sale of units at Orion Industrial Building and Quartz Industrial Building.

(iii) Net cash flows from financing activities

The net cash inflow from the financing activities was \$47.6 million compared with \$174 million for YTD 3Q2011. The net loan drawdown of \$220.1 million in YTD 3Q2012 was \$167.1 million lower than that for YTD 3Q2011. Cash dividends of \$129.4 million were paid to the Company's shareholders who did not opt for shares under the dividend reinvestment scheme in YTD 3Q2012, compared with \$106.9 million for YTD 3Q2011. Net loan repayment of \$4.7 million was received from the non-controlling shareholders in YTD 3Q2012, compared with a net cash advance of \$34.5 million for YTD 3Q2011. In YTD 3Q2012, the Group paid US\$13.3 million (approximately \$16.3 million) for the acquisition of 49% interest in Alverno as mentioned earlier.

Overall, the net decrease in cash and cash equivalents was \$429 million compared with \$773.2 million for YTD 3Q2011.

2. AUDIT

The figures have not been audited nor reviewed by the Company's auditors.

3. AUDITORS' REPORT

Not applicable.

4. ACCOUNTING POLICIES

- (a) The Group's policy is to revalue its investment properties on an annual basis. An update to the fair values will be done at the end of the financial year.
- (b) Except as disclosed in Section 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those for the audited financial statements as at 31 December 2011.

5. CHANGES IN THE ACCOUNTING POLICIES

The Group adopted the following revised Financial Reporting Standards ("FRS") that are relevant and effective for annual periods beginning on or after 1 January 2012:

Amendments to FRS 107 *Disclosures – Transfer of Financial Assets*
Amendments to FRS 12 *Deferred Tax: Recovery of Underlying Assets*

5. CHANGES IN THE ACCOUNTING POLICIES - continued

The adoption of the above FRSs did not result in any substantial change to the Group's accounting policies nor any significant impact on the financial statements of the Group, except for the following:

Amendments to FRS 12 Deferred Tax: Recovery of Underlying Assets

The Amendments to FRS 12 apply to the measurement of deferred tax liabilities and assets arising from investment properties measured using the fair value model under FRS 40 *Investment Property*, including investment property acquired in a business combination and subsequently measured using the fair value model. For the purposes of measuring deferred tax, the Amendments have introduced a rebuttable presumption that the carrying amount of an investment property measured at fair value will be recovered entirely through sale. The presumption can be rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits over time, rather than through sale.

The Group previously provided for deferred tax liabilities for its investment properties on the basis that the carrying amount of the investment properties will be recovered through use. Upon adoption of the Amendments to FRS 12, there is a presumption that the carrying amount of an investment property measured at fair value will be recovered entirely through sale. Accordingly, there will be no deferred tax liability on investment properties in Singapore as there is no tax on capital gains in Singapore.

This change in accounting policy has been applied retrospectively. Accordingly, the comparatives have been restated. However, there is no impact on the YTD 3Q2011 results, as deferred taxes on investment properties were taken up only in 4Q2011. The effects on the comparatives arising from the adoption of the Amendments to FRS 12 are as follows:

<u>Group Profit and Loss Account</u>	Full Year 2011 \$'000	
Increase in gain on acquisition of additional interest in an associated company	832	
Decrease in corporate restructuring surplus	(27,767)	
Decrease in taxation	37,250	
Increase in profit for the year	<u>10,315</u>	
Increase in profit attributable to:		
Shareholders of the Company	9,036	
Non-controlling interests	1,279	
	<u>10,315</u>	
(Decrease)/increase in basic earnings per share (cents)		
Before fair value gain on investment properties/impairment		(1.9)
After fair value gain on investment properties/impairment		0.6
(Decrease)/increase in diluted earnings per share (cents)		
Before fair value gain on investment properties/impairment		(1.9)
After fair value gain on investment properties/impairment		0.6
<u>Group Balance Sheet</u>	31.12.2011	31.12.2010
	\$'000	\$'000
Increase in revenue reserves	156,095	147,059
Increase in non-controlling interests	1,279	7,396
Increase in investment in associated companies	145,102	86,804
Decrease in deferred taxation	(12,272)	(67,651)

6. EARNINGS PER ORDINARY SHARE

	GROUP		
	Nine Months		
	30.09.12	30.09.11	+ / (-) %
Earnings per ordinary share of the Group based on net profit attributable to shareholders:			
(i) Based on the weighted average number of shares (cents)	20.6	13.1	57.3
- Weighted average number of shares ('000)	1,509,930	1,465,168	3.1
(ii) On a fully diluted basis (cents)	20.6	13.1	57.3
- Adjusted weighted average number of shares ('000)	1,511,955	1,467,085	3.1

7. NET ASSET VALUE

	GROUP	
	30.09.12	31.12.11 (Restated)
Net asset value per share based on issued share capital at the end of the period (\$)	3.64	3.74

8. REVIEW OF GROUP PERFORMANCE**Group Overview**

(\$'000)	3Q2012	3Q2011	Change (%)	YTD 3Q2012	YTD 3Q2011	Change (%)
Revenue	166,413	111,722	49.0	466,934	573,801	(18.6)
Profit before taxation	92,905	65,571	41.7	380,970	242,518	57.1
Net profit	74,496	57,970	28.5	311,073	191,780	62.2

3Q2012 vs. 3Q2011

The Group's revenue for 3Q2012 rose by \$54.7 million or 49% compared with 3Q2011. The increase was due to higher revenues reported by the Property Trading segment (\$62 million), Fund Management segment (\$2 million) and Hotels and Resorts segment (\$1.8 million), partly offset by lower revenues from the Property Investment segment (\$7.7 million) and Others segment (\$3.4 million).

The Group's overseas revenue for 3Q2012 constituted 55.1% of the Group's total revenue compared with 33.9% in 3Q2011. The higher revenue from the Group's overseas operations was attributable primarily to higher revenue recognition from The Seasons in Shenyang and Riviera Cove in Ho Chi Minh City ("HCMC"). Improved revenues were also reported by the Singapore trading projects, due primarily to the new revenue stream from The Luxurie which was launched in August 2011, coupled with higher progressive revenue recognition from The Lakefront Residences as a result of a higher percentage of physical completion achieved.

At pre-tax level, the Group's profit grew by \$27.3 million, or 41.7% over that for the same quarter last year as a result of the strong performance of the Group's associated companies, mainly Marina Bay Suites and Keppel REIT. The Group's performance in 3Q2012 was also boosted by the non-recurring gain of \$16.7 million from the divestment of 22.7% effective interest in Saigon Centre Phase 2. There was also increased contribution from the Group's hotels and resorts operations on account of the improved performance from Hotel Sedona Yangon in Myanmar and Spring City Resort in Kunming.

After accounting for non-controlling interests' share of profits, the Group's net profit was \$74.5 million, an increase of 28.5% from \$58 million reported in 3Q2011.

Excluding the non-recurring gain, earnings from overseas for 3Q2012 represented about 7.3% of the Group's net profit compared with 7.8% for 3Q2011.

8. REVIEW OF GROUP PERFORMANCE - continued**Group Overview****YTD 3Q2012 vs. YTD 3Q2011**

The Group's revenue for YTD 3Q2012 decreased by \$106.8 million or 18.6% against YTD 3Q2011. The decline was due to lower revenues reported by the Property Trading segment (\$104.3 million), Property Investment segment (\$11.2 million) and Others segment (\$9.2 million), partly mitigated by higher revenues from the Fund Management segment (\$11.8 million) and Hotels and Resorts segment (\$6.1 million).

The Group's overseas revenue for YTD 3Q2012 constituted 54.9% of the Group's total revenue compared with 50.8% in YTD 3Q2011. The Group's revenues from its Singapore and overseas operations had decreased by \$71.3 million and \$35.5 million respectively. In Singapore, the decline in revenue arose mainly from lower revenue recognition from The Lakefront Residences as a result of fewer units sold as well as Madison Residences which was completed and fully sold by 2Q2012, partly cushioned by the new revenue stream from The Luxurie which was launched in August 2011. The lower revenue from the Group's overseas operations was attributable primarily to the lower revenue recognition for Elita Promenade in Bangalore which was completed in March 2011, partly offset by higher revenue recognition from The Springdale in Shanghai, The Seasons at Shenyang, Riviera Cove in HCMC and Jakarta Garden City in Indonesia.

Despite lower revenue, the Group's pre-tax profit of \$381 million outperformed YTD 3Q2011 by \$138.5 million or 57.1%. Apart from the non-recurring gain mentioned earlier, the improvement was driven largely by the strong performance of the Group's associated companies, mainly Reflections at Keppel Bay, Marina Bay Suites as well as Keppel REIT. There were also higher contributions from the Fund Management and Hotels and Resorts segments. These increases were, however, partly reduced by lower contribution from the Others segment as a result of lower marketing commissions and project management fees earned coupled with higher overheads incurred.

After accounting for non-controlling interests' share of profits, the Group's net profit rose by 62.2% to \$311.1 million, from \$191.8 million reported in YTD 3Q2011.

Excluding the non-recurring gain, earnings from overseas represented about 10.9% of the Group's net profit compared with 9% for YTD 3Q2011.

8. REVIEW OF GROUP PERFORMANCE - continued
Segmental Performance
Property Trading

(\$'000)	3Q2012	3Q2011	Change (%)	YTD 3Q2012	YTD 3Q2011	Change (%)
Revenue	115,278	53,287	116.3	311,189	415,483	(25.1)
Net profit	31,093	46,007	(32.4)	230,057	116,525	97.4

Revenue for 3Q2012 was higher compared with 3Q2011, due mainly to the new revenue stream from The Luxurie in Singapore which was launched in August 2011, and the higher progressive revenue recognition from The Lakefront Residences. In addition, revenue was recognised for The Seasons in Shenyang as a result of the completion of Phase 1A and handover of units to the purchasers. There was also revenue recognised for Riviera Cove in HCMC following the handover of units to the purchasers. The increases were partly reduced by the absence of revenue recognition from Madison Residences which was completed and fully sold by 2Q2012.

On the year-to-date basis, the revenue was \$104.3 million or 25.1% lower than that for YTD 3Q2011, largely because of the lower revenue recognition for Elita Promenade in Bangalore which was completed in 1Q2011 as well as Madison Residences and The Lakefront Residences for the same reasons mentioned earlier. These decreases were partly cushioned by the new revenue stream from The Luxurie, and revenue recognition from The Springdale in Shanghai following the completion and handover of units of Plot 3-1 to the purchasers in 1Q2012 as well as The Seasons and Riviera Cove as mentioned above. In addition, higher revenue was reported by Jakarta Garden City from the sale of completed units.

Net profit for 3Q2012 fell by \$14.9 million or 32.4% compared with 3Q2011 as a result of lower contributions from the Singapore trading projects. Included in 3Q2011 was also write-back of excess provisions no longer required. This decrease was, however, partly mitigated by higher profit recorded for Marina Bay Suites as a result of a higher percentage of physical completion achieved and more units sold.

Net profit for YTD 3Q2012 increased substantially by \$113.5 million or 97.4%, driven mainly by the higher contribution from Reflections at Keppel Bay following the handover of units sold under the deferred payment scheme to the purchasers. In addition, higher profits were recorded for Marina Bay Suites, The Botanica in Chengdu and Central Park City in Wuxi.

Property Investment

(\$'000)	3Q2012	3Q2011	Change (%)	YTD 3Q2012	YTD 3Q2011	Change (%)
Revenue	14,065	21,787	(35.4)	42,053	53,258	(21.0)
Net profit	36,734	18,339	100.3	75,337	46,120	63.3

Rental incomes for the current periods had decreased, due largely to lower revenues from Saigon Centre in HCMC as well as the cessation of rental income from Ocean Towers and OFC.

Notwithstanding lower revenues reported, higher net profits were recorded for the current periods, contributed mainly by the improved performance from Keppel REIT as a result of an enlarged property portfolio following its acquisition of OFC in December 2011. The net profits for current periods also included the gain of \$16.7 million arising from the completion of the divestment of 22.7% effective interest in Saigon Centre Phase 2.

8. REVIEW OF GROUP PERFORMANCE - continued
Segmental Performance
Fund Management

(\$'000)	3Q2012	3Q2011	Change (%)	YTD 3Q2012	YTD 3Q2011	Change (%)
Revenue	20,111	18,093	11.2	64,255	52,485	22.4
Net profit	12,760	12,237	4.3	41,280	39,673	4.1

Fund management fees for the current periods were higher as a result of higher management fees reported by Keppel REIT Management Limited ("KRAM"). The increase in KRAM's fees arose mainly from the increase in assets under management, following Keppel REIT's acquisition of OFC and 8 Chifley Square. The increase was, however, partly offset by the lower management fees reported by Alpha as a result of lower acquisition fees earned.

Despite the growth in revenue, net profits for current periods were comparable with the corresponding periods last year mainly because the increase in management fees was more or less offset by higher overheads incurred, and lower dividend income received from equity investments.

Hotels and Resorts

(\$'000)	3Q2012	3Q2011	Change (%)	YTD 3Q2012	YTD 3Q2011	Change (%)
Revenue	16,118	14,281	12.9	45,398	39,323	15.4
Net profit	5,492	1,151	nm	11,977	183	nm

nm – not meaningful

Revenues from the Group's hotels and resorts operations for the current periods were above the same periods last year, due largely to the improved performance from Hotel Sedona Yangon in Myanmar as a result of a higher occupancy and room rates, partly reduced by lower revenue from Ria Bintan Resorts on account of lower average room rates.

The increase in net profits for current periods arose mainly from the improved performance from Hotel Sedona Yangon in Myanmar and Spring City Resort in Kunming.

Others *

(\$'000)	3Q2012	3Q2011	Change (%)	YTD 3Q2012	YTD 3Q2011	Change (%)
Revenue	841	4,274	(80.3)	4,039	13,252	(69.5)
Net loss	(11,583)	(19,764)	(41.4)	(47,578)	(10,721)	343.8

* Others include corporate services, property services and others

Revenues from this segment for the current periods were lower than that of last year, because of lower marketing commissions and project management fees earned.

Net loss for 3Q2012 was lower than 3Q2011 mainly because of the write-back of excess provisions no longer required. The higher loss in YTD 3Q2012 was due to lower fees earned, and higher overheads incurred as well as absence of a one-off gain of \$24.4 million from the disposal of Keppel DigiHub in 1Q2011.

9. VARIANCE FROM FORECAST STATEMENT

No forecast for the nine months ended 30 September 2012 was previously provided.

10. PROSPECTS

The Urban Redevelopment Authority's flash estimates showed that private residential prices in Singapore edged up slightly by 0.5% in the third quarter of 2012, compared with increases of 0.4% in the previous quarter and 0.1% in the first quarter. Sales for the first nine months of 2012 have been strong with an estimated 18,000 units sold, exceeding the record take-up of 16,292 units in 2010 as well as the 15,904 units sold in 2011.

In Singapore, the Group sold about 320 residential units for the first nine months of 2012. Sales improved in the third quarter of 2012 with more than 120 units sold, compared with about 100 and 90 units sold in the second and first quarter respectively. The Luxurie, which is located next to the Sengkang MRT station, continued to register good sales with more than 240 units sold in the first nine months of 2012. The Group has submitted the highest bid for a residential parcel near Tanah Merah MRT which allows for the development of about 700 homes.

According to CB Richard Ellis, Grade A office rent eased further by 3% quarter-on-quarter to \$9.80 psf in the third quarter from \$10.10 psf in the preceding quarter and \$10.60 psf in the first quarter. Office demand remained stable, supported by leasing interest from the commodities, pharmaceutical, IT and legal services sectors. Commitment level at Marina Bay Financial Centre Tower 3 rose to about 76%.

Overseas, the Group sold close to 1,200 units in the first three quarters of 2012, mostly from China. Sales in China fell from about 490 units in the second quarter of 2012 to about 290 units in the third quarter due to sales launches being pushed back. Meanwhile, The Springdale in Shanghai and Central Park City in Wuxi continued to chalk up sales. Leveraging the Group's presence and track record, Keppel Land China acquired a 28.7-ha prime residential site in Mumashan, Xinjin County of Chengdu. The new site is adjacent to Hill Crest Villa which was acquired in late 2010, and is expected to yield over 570 landed homes.

The Group's fund management business continued to seize opportunities with selective acquisitions and divestments in the third quarter of 2012. K-REIT Asia, which has been renamed Keppel REIT, recently acquired a 50% stake in a Grade A office tower in Perth, Australia. Alpha's funds acquired a 50% stake in 78 Shenton Way, an office building in Singapore's central business district, as well as divested two serviced apartments in Hong Kong and a high-end residential unit in Singapore.

Going forward, the Group will continue to selectively acquire well-located sites in Singapore and overseas for residential, commercial and mixed-use developments. The Group will also monitor the market closely for the appropriate window to launch new projects and phases.

11. BUSINESS DYNAMICS AND RISK FACTORS

The Group's strategy for enhancing shareholder value focuses on developing properties for sale and managing property funds. Besides the Singapore property market, the Group is mainly in the property markets of China, Vietnam and Indonesia.

Regionally, the success of the Group's efforts will be dependent, *inter alia*, on the following factors:

- Availability of residential sites at competitive prices for housing and also good sites at competitive prices in populous cities for township development so that economies of scale can be achieved to provide good quality and affordable urban housing;
- Effective partnerships with contractors, suppliers, joint venture partners and other stakeholders so that projects can be delivered on time and with quality;
- Favourable lending laws and interest rates for property developers and end-purchaser financing;
- Favourable tax laws and double taxation treaties with Singapore, and ease of repatriating funds to Singapore; and
- Proper management of interest and currency rate exposures.

The Group also faces possible challenges such as political uncertainty issues, economic uncertainties or unfavourable regulatory measures by the governments in countries where it has operations.

The Group's property fund management business will be further developed for recurring income. Efforts are being made to identify and invest in projects that will give the expected rates of return required by investors.

The Company will continue to monitor all major risks affecting the Group and take the necessary actions to mitigate them.

12. DIVIDENDS**(a) Current financial period reported on**

None.

(b) Corresponding period of the immediately preceding financial year

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

(e) If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared for the nine months ended 30 September 2012.

14. REVIEW OF SEGMENTAL PERFORMANCE

Please refer to Section 8.

15. BREAKDOWN OF SALES

	GROUP		
	2012 \$'000	2011 \$'000	+ / (-) %
Sales reported for first quarter	170,211	357,892	(52.4)
Operating profit after tax before deducting non-controlling interests reported for first quarter	143,806	101,892	41.1
Sales reported for second quarter	130,310	104,187	25.1
Operating profit after tax before deducting non-controlling interests reported for second quarter	97,114	51,905	87.1
Sales reported for third quarter	166,413	111,722	49.0
Operating profit after tax before deducting non-controlling interests reported for third quarter	78,556	61,779	27.2

16. INTERESTED PERSON TRANSACTIONS

The Group has obtained a general mandate from the shareholders of the Company for interested person transactions in the Annual General Meeting held on 20 April 2012. During the quarter ended 30 September 2012, the following interested person transactions were entered into by the Group:

Name of Interested Person	Aggregate Value of all Interested Person Transactions during the Period under Review (excluding Transactions less than \$100,000 and Transactions Conducted under Shareholders' Mandate Pursuant to Rule 920 of SGX-ST Listing Manual).		Aggregate Value of all Interested Person Transactions Conducted under Shareholders' Mandate Pursuant to Rule 920 of SGX-ST Listing Manual.	
	Third Quarter		Third Quarter	
	30.09.12 \$'000	30.09.11 \$'000	30.09.12 \$'000	30.09.11 \$'000
(a) Property transactions -				
Keppel Corporation Limited Group:				
Project development and management fees received	-	-	-	420
Property management fees received	-	-	937	297
Marketing commission received	-	-	1,284	669
Management and support service fees received	-	-	432	2,231
Asset management fees received	-	-	10,101	7,852
Rental income	-	-	159	12
Rental expense	-	-	-	1,103
(b) Other services and products -				
Keppel Corporation Limited Group:				
Deposits outstanding at period-end	-	-	862,901	118,575
Treasury – interest income	-	-	566	117
Treasury – interest expense	-	-	2,251	461
Treasury – foreign exchange transactions	-	-	22,589	19,508
Management fees paid	-	-	2,404	1,186
Other products and service fees paid	-	-	328	143
Shareholder's loan to Keppel Data Centres Holding Pte Ltd	-	31,539	-	-
Temasek Group:				
Rental received	-	-	-	34
Committed capital for the formation of a joint-venture company, Singapore-Sichuan Investment Holdings Pte Ltd	-	14,400	-	-
Consideration for the acquisition of Hong Lim Investments Pte Ltd's interest in Kingsdale Development Pte Ltd	41,840	-	-	-
(c) Transactions entered into by the Group with Directors of the Company-				
Consideration for sales of units in Singapore and overseas residential development to Directors of the Company and/or their immediate family members at prevailing prices applicable to third parties	-	1,429	-	-

BY ORDER OF THE BOARD

CHOO CHIN TECK
Company Secretary
17 October 2012

CONFIRMATION BY THE BOARD

We, CHOO CHIAU BENG and KEVIN WONG KINGCHEUNG, being two Directors of Keppel Land Limited (the "Company"), do hereby confirm on behalf of the Directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the 3Q2012 financial statements to be false or misleading in any material respect.

On behalf of the Board of Directors



CHOO CHIAU BENG
Chairman

Singapore, 17 October 2012



KEVIN WONG KINGCHEUNG
Group Chief Executive Officer

Appendix
SEGMENTAL RESULTS – QUARTERLY BREAKDOWN
By Operating Segments (\$'m)

	1Q11	2Q11	1H11	3Q11	4Q11	FY11	1Q12	2Q12	1H12	3Q12
TURNOVER										
Property										
Trading	309.2	53.0	362.2	53.3	292.6	708.1	120.8	75.1	195.9	115.3
Investment	15.3	16.2	31.5	21.8	26.9	80.2	13.9	14.1	28.0	14.1
Fund management	14.5	19.9	34.4	18.1	29.8	82.3	20.0	24.1	44.1	20.1
Hotels and resorts	13.3	11.7	25.0	14.3	15.9	55.2	14.4	14.9	29.3	16.1
Others	5.6	3.4	9.0	4.2	10.0	23.2	1.1	2.1	3.2	0.8
Total	357.9	104.2	462.1	111.7	375.2	949.0	170.2	130.3	300.5	166.4
EBITDA										
Property										
Trading	61.5	9.4	70.9	23.8	33.8	128.5	30.6	8.7	39.3	12.3
Investment	9.8	8.3	18.1	13.1	18.7	49.9	7.9	11.1	19.0	8.0
Fund management	8.4	13.8	22.2	11.6	21.2	55.0	13.5	15.8	29.3	14.1
Hotels and resorts	0.7	2.6	3.3	3.7	4.1	11.1	4.7	4.9	9.6	5.0
Others	(2.0)	(11.4)	(13.4)	(16.5)	(18.9)	(48.8)	(21.8)	(8.2)	(30.0)	(7.4)
Total	78.4	22.7	101.1	35.7	58.9	195.7	34.9	32.3	67.2	32.0
PROFIT/(LOSS) BEFORE TAXATION *										
Property										
Trading	73.0	32.7	105.7	44.1	111.6	261.4	162.4	75.5	237.9	39.6
Investment	19.1	17.9	37.0	23.3	31.7	92.0	26.1	24.6	50.7	25.7
Fund management	10.5	20.3	30.8	14.4	30.2	75.4	14.6	18.1	32.7	15.0
Hotels and resorts	(2.6)	1.1	(1.5)	1.9	6.2	6.6	2.4	4.3	6.7	7.5
Others	(5.4)	(14.0)	(19.4)	(18.1)	(21.4)	(58.9)	(26.5)	(13.4)	(39.9)	(11.6)
Total	94.6	58.0	152.6	65.6	158.3	376.5	179.0	109.1	288.1	76.2
NET PROFIT/(LOSS)										
Property										
Trading	43.0	27.5	70.5	46.0	82.0	198.5	133.4	65.6	199.0	31.1
Investment	14.5	13.3	27.8	18.4	24.4	70.6	20.0	18.6	38.6	20.0
Fund management	9.4	18.0	27.4	12.2	25.7	65.3	12.8	15.7	28.5	12.8
Hotels and resorts	(2.2)	1.2	(1.0)	1.2	5.8	6.0	2.3	4.2	6.5	5.5
Others	(5.8)	(9.5)	(15.3)	(19.8)	(25.6)	(60.7)	(26.6)	(9.4)	(36.0)	(11.6)
Corporate restructuring surplus/ enbloc property sales/fair value gain on investment properties/impairment	-	-	-	-	1,066.2	1,066.2	-	-	-	-
Gain on acquisition of additional interest in an associated company	-	-	-	-	4.4	4.4	-	-	-	-
Other gains/(losses)	24.4	-	24.4	-	-	24.4	-	-	-	16.7
Total	83.3	50.5	133.8	58.0	1,182.9	1,374.7	141.9	94.7	236.6	74.5

* before corporate restructuring surplus, enbloc property sales, fair value gain on investment properties/impairment, gain on acquisition of additional interest in an associated company and other gains/(losses).

Appendix (Cont'd)
By Geographical Segments (\$'m)

	1Q11	2Q11	1H11	3Q11	4Q11	FY11	1Q12	2Q12	1H12	3Q12
TURNOVER										
Singapore	137.1	71.3	208.4	73.8	125.3	407.5	47.7	88.4	136.1	74.7
Other countries	220.8	32.9	253.7	37.9	249.9	541.5	122.5	41.9	164.4	91.7
Total	357.9	104.2	462.1	111.7	375.2	949.0	170.2	130.3	300.5	166.4
EBITDA										
Singapore	36.1	22.4	58.5	30.8	29.7	119.0	9.8	32.5	42.3	27.2
Other countries	42.3	0.3	42.6	4.9	29.2	76.7	25.1	(0.2)	24.9	4.8
Total	78.4	22.7	101.1	35.7	58.9	195.7	34.9	32.3	67.2	32.0
PROFIT BEFORE TAXATION*										
Singapore	50.8	57.0	107.8	57.2	80.8	245.8	146.5	101.0	247.5	63.2
Other countries	43.8	1.0	44.8	8.4	77.5	130.7	32.5	8.1	40.6	13.0
Total	94.6	58.0	152.6	65.6	158.3	376.5	179.0	109.1	288.1	76.2
NET PROFIT										
Singapore	45.5	53.4	98.9	53.5	60.3	212.7	119.7	88.9	208.6	53.6
Other countries	13.4	(2.9)	10.5	4.5	52.0	67.0	22.2	5.8	28.0	4.2
Corporate restructuring surplus/ enbloc property sales/ fair value gain on investment properties/impairment	-	-	-	-	1,066.2	1,066.2	-	-	-	-
Gain on acquisition of additional interest in an associated company	-	-	-	-	4.4	4.4	-	-	-	-
Other gains/(losses)	24.4	-	24.4	-	-	24.4	-	-	-	16.7
Total	83.3	50.5	133.8	58.0	1,182.9	1,374.7	141.9	94.7	236.6	74.5

* before corporate restructuring surplus, enbloc property sales, fair value gain on investment properties/impairment, gain on acquisition of additional interest in an associated company and other gains/(losses).

Independent Auditors' Report

For the financial year ended 31 December 2011

To the Members of Keppel Land Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Keppel Land Limited ("the Company") and its subsidiary companies (collectively, "the Group") set out on pages 164 to 245, which comprise the balance sheets of the Group and the Company as at 31 December 2011, the statements of changes in equity of the Group and the Company and the consolidated profit and loss account, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act ("the Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and the Company as at 31 December 2011 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary companies incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.



Ernst & Young LLP

Public Accountants and
Certified Public Accountants

Singapore, 22 February 2012



Consolidated Profit and Loss Account

For the financial year ended 31 December 2011

	Note	2011 \$'000	2010 (Restated) \$'000
Sales	4	948,974	685,408
Cost of sales		(635,536)	(392,375)
Gross profit		313,438	293,033
Distribution costs		(24,481)	(11,623)
Administrative and other expenses		(123,868)	(91,359)
Other income	5	21,806	6,041
Interest and investment income	6	49,446	29,746
Interest expense	7	(34,795)	(38,245)
Share of results of associated companies	23	174,960	196,868
Gain on acquisition of additional interest in an associated company	8	3,629	2,678
Corporate restructuring surplus	9	508,085	363,848
Other gain	10	24,418	-
Pre-tax profit before fair value gain on investment properties/impairment		912,638	750,987
Fair value gain on investment properties/impairment	11	591,290	425,810
Pre-tax profit after fair value gain on investment properties/impairment		1,503,928	1,176,797
Taxation	12	(108,226)	(118,834)
Profit for the year	5	1,395,702	1,057,963
Profit attributable to:			
Shareholders of the Company	3	1,365,646	1,052,919
Non-controlling interests	3	30,056	5,044
		1,395,702	1,057,963
Basic earnings per share (cents) based on:	14		
Profit before fair value gain on investment properties/impairment		55.7	45.1
Profit after fair value gain on investment properties/impairment		93.2	73.3
Diluted earnings per share (cents) based on:	14		
Profit before fair value gain on investment properties/impairment		55.6	45.0
Profit after fair value gain on investment properties/impairment		93.0	73.2

The notes shown on pages 172 to 245 form an integral part of the financial statements.



Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2011

	2011 \$'000	2010 (Restated) \$'000
Profit for the year	1,395,702	1,057,963
Other comprehensive income:		
Available-for-sale financial assets:		
Net fair value change	272	1,885
Fair value change transferred to profit and loss account	-	(13)
Exchange differences on consolidation	10,200	(59,456)
Exchange differences transferred to profit and loss account	(5,126)	163
Share of other comprehensive income of associated companies	(2,008)	(9,745)
Other comprehensive income for the year, net of tax	3,338	(67,166)
Total comprehensive income for the year	1,399,040	990,797
Total comprehensive income attributable to:		
Shareholders of the Company	1,379,408	998,403
Non-controlling interests	19,632	(7,606)
	1,399,040	990,797

The notes shown on pages 172 to 245 form an integral part of the financial statements.



Balance Sheets

As at 31 December 2011

	Note	GROUP			COMPANY	
		2011 \$'000	2010 (Restated) \$'000	2009 (Restated) \$'000	2011 \$'000	2010 \$'000
Share capital	15	2,219,880	2,061,020	1,987,542	2,219,880	2,061,020
Reserves	16	3,199,339	2,067,657	1,208,565	1,569,526	960,157
Share capital and reserves		5,419,219	4,128,677	3,196,107	3,789,406	3,021,177
Non-controlling interests		294,401	301,836	385,308	-	-
Total equity		5,713,620	4,430,513	3,581,415	3,789,406	3,021,177
Long-term borrowings	17	2,336,200	2,199,669	903,570	1,565,373	1,298,436
		8,049,820	6,630,182	4,484,985	5,354,779	4,319,613
Represented by:						
Fixed assets	18	203,733	206,595	227,838	38	42
Investment properties	19	634,051	1,699,840	1,404,992	-	-
Amounts owing by associated companies	20	542,587	446,161	940,708	-	-
Other non-current asset	21	103,900	-	-	-	-
Investments						
Subsidiary companies	22	-	-	-	1,318,267	1,272,995
Associated companies	23	1,992,694	1,328,567	1,324,145	70,015	101,861
Long-term investments	24	125,763	111,338	67,884	8,366	7,254
		2,118,457	1,439,905	1,392,029	1,396,648	1,382,110
Current assets						
Properties held for sale	25	3,148,649	1,977,208	1,030,675	-	-
Stocks	26	3,725	3,265	3,692	-	-
Debtors	27	622,595	586,753	295,208	4,167	4,828
Amounts owing by holding company and related parties	28	157,960	135,269	134,301	5,600,065	3,306,065
Cash and cash equivalents	29	1,941,937	1,589,046	892,711	429	354
		5,874,866	4,291,541	2,356,587	5,604,661	3,311,247
Less:						
Current liabilities						
Creditors	30	1,051,417	894,197	715,188	50,087	50,977
Tax provision	12	124,066	136,883	132,763	12,137	9,976
Short-term borrowings	31	201,213	316,792	823,153	150,000	302,536
Amounts owing to holding company and related parties	28	6,306	3,167	67,542	1,430,796	5,240
		1,383,002	1,351,039	1,738,646	1,643,020	368,729
Net current assets		4,491,864	2,940,502	617,941	3,961,641	2,942,518
Deferred taxation	12	(44,772)	(102,821)	(98,523)	(3,548)	(5,057)
		8,049,820	6,630,182	4,484,985	5,354,779	4,319,613

The notes shown on pages 172 to 245 form an integral part of the financial statements.

Statements of Changes in Equity

For the financial year ended 31 December 2011

	Share Capital \$'000	Capital Reserves \$'000	Foreign Currency Translation Account \$'000	Revenue Reserves \$'000	Total \$'000	Non-controlling Interests \$'000	Total Equity \$'000
GROUP							
Balance at 1 January 2011, as previously reported	2,061,020	23,341	(67,531)	2,284,441	4,301,271	339,051	4,640,322
Effects of adopting INT FRS 115 (see Note 2(a)(ii))	-	-	-	(172,594)	(172,594)	(37,215)	(209,809)
Balance at 1 January 2011, as restated	2,061,020	23,341	(67,531)	2,111,847	4,128,677	301,836	4,430,513
Total comprehensive income for the year							
Profit for the year	-	-	-	1,365,646	1,365,646	30,056	1,395,702
Other comprehensive income *	-	(4,728)	18,490	-	13,762	(10,424)	3,338
Total comprehensive income for the year	-	(4,728)	18,490	1,365,646	1,379,408	19,632	1,399,040
Transactions with owners, recognised directly in equity							
<u>Contributions by and distributions to owners</u>							
Issue of shares (see Note 15)							
Under the Dividend Reinvestment Scheme	154,411	-	-	-	154,411	-	154,411
Under the Keppel Land Restricted Share Plan	1,149	(1,149)	-	-	-	-	-
Under the Keppel Land Share Option Scheme	3,460	-	-	-	3,460	-	3,460
Share issuance expenses (see Note 15)	(160)	-	-	-	(160)	-	(160)
Cost of share-based payments	-	4,326	-	-	4,326	-	4,326
Capital contribution	-	-	-	-	-	40,355	40,355
Dividend paid (see Note 13)							
Cash	-	-	-	(106,938)	(106,938)	(2,668)	(109,606)
Shares	-	-	-	(154,411)	(154,411)	-	(154,411)
Disposal of a subsidiary company (see Note 22)	-	37,847	-	(37,847)	-	(76,659)	(76,659)
Share of capital reserve of an associated company	-	(2,486)	-	-	(2,486)	-	(2,486)
Transfer from capital reserves to revenue reserves	-	234	-	(234)	-	(154)	(154)
Total contributions by and distributions to owners	158,860	38,772	-	(299,430)	(101,798)	(39,126)	(140,924)
<u>Changes in ownership interests in subsidiary companies</u>							
Disposal of interest in a subsidiary company without loss of control (see Note 22)	-	12,932	-	-	12,932	12,059	24,991
Total changes in ownership interests in subsidiary companies	-	12,932	-	-	12,932	12,059	24,991
Total transactions with owners	158,860	51,704	-	(299,430)	(88,866)	(27,067)	(115,933)
Balance at 31 December 2011	2,219,880	70,317	(49,041)	3,178,063	5,419,219	294,401	5,713,620

* Details of other comprehensive income have been included in the consolidated statement of comprehensive income.

The notes shown on pages 172 to 245 form an integral part of the financial statements.

Statements of Changes in Equity

	Share Capital \$'000	Capital Reserves \$'000	Foreign Currency Translation Account \$'000	Revenue Reserves \$'000	Total \$'000	Non- controlling Interests \$'000	Total Equity \$'000
GROUP							
Balance at 1 January 2010, as previously reported	1,987,542	50,220	(12,718)	1,350,745	3,375,789	412,813	3,788,602
Effects of adopting INT FRS 115 (see Note 2(a)(ii))	-	-	-	(179,682)	(179,682)	(27,505)	(207,187)
Balance at 1 January 2010, as restated	1,987,542	50,220	(12,718)	1,171,063	3,196,107	385,308	3,581,415
Total comprehensive income for the year							
Profit for the year	-	-	-	1,052,919	1,052,919	5,044	1,057,963
Other comprehensive income *	-	113	(54,629)	-	(54,516)	(12,650)	(67,166)
Total comprehensive income for the year	-	113	(54,629)	1,052,919	998,403	(7,606)	990,797
Transactions with owners, recognised directly in equity							
<u>Contributions by and distributions to owners</u>							
Issue of shares (see Note 15)							
Under the Dividend Reinvestment Scheme	70,078	-	-	-	70,078	-	70,078
Under the Keppel Land Share Option Scheme	3,550	-	-	-	3,550	-	3,550
Share issuance expenses (see Note 15)	(150)	-	-	-	(150)	-	(150)
Cost of share-based payments	-	3,099	-	-	3,099	-	3,099
Capital contribution	-	-	-	-	-	40,523	40,523
Dividend paid (see Note 13)							
Cash	-	-	-	(44,351)	(44,351)	(42,042)	(86,393)
Shares	-	-	-	(70,078)	(70,078)	-	(70,078)
Transfer from translation reserves to revenue reserves	-	-	(184)	184	-	-	-
Transfer from capital reserves to revenue reserves	-	(2,110)	-	2,110	-	-	-
Issue of convertible bond - equity component (see Note 17)	-	12,050	-	-	12,050	-	12,050
Total contributions by and distributions to owners	73,478	13,039	(184)	(112,135)	(25,802)	(1,519)	(27,321)
<u>Changes in ownership interests in subsidiary companies</u>							
Acquisition of non-controlling interests							
-	(40,031)	-	-	-	(40,031)	(74,347)	(114,378)
Total changes in ownership interests in subsidiary companies	-	(40,031)	-	-	(40,031)	(74,347)	(114,378)
Total transactions with owners	73,478	(26,992)	(184)	(112,135)	(65,833)	(75,866)	(141,699)
Balance at 31 December 2010	2,061,020	23,341	(67,531)	2,111,847	4,128,677	301,836	4,430,513

* Details of other comprehensive income have been included in the consolidated statement of comprehensive income.

The notes shown on pages 172 to 245 form an integral part of the financial statements.

	Share Capital \$'000	Capital Reserves \$'000	Revenue Reserves \$'000	Total Equity \$'000
COMPANY				
Balance at 1 January 2011	2,061,020	62,218	897,939	3,021,177
Total comprehensive income for the year				
Profit for the year	-	-	866,429	866,429
Other comprehensive income	-	1,112	-	1,112
Total comprehensive income for the year	<u>-</u>	<u>1,112</u>	<u>866,429</u>	<u>867,541</u>
Transactions with owners, recognised directly in equity				
<u>Contributions by and distributions to owners</u>				
Issue of shares (see Note 15)				
Under the Dividend Reinvestment Scheme	154,411	-	-	154,411
Under the Keppel Land Restricted Share Plan	1,149	(1,149)	-	-
Under the Keppel Land Share Option Scheme	3,460	-	-	3,460
Share issuance expenses (see Note 15)	(160)	-	-	(160)
Cost of share-based payments	-	4,326	-	4,326
Dividend paid (see Note 13)				
Cash	-	-	(106,938)	(106,938)
Shares	-	-	(154,411)	(154,411)
Total transactions with owners	<u>158,860</u>	<u>3,177</u>	<u>(261,349)</u>	<u>(99,312)</u>
Balance at 31 December 2011	<u>2,219,880</u>	<u>66,507</u>	<u>1,503,019</u>	<u>3,789,406</u>
Balance at 1 January 2010				
Balance at 1 January 2010	1,987,542	46,036	828,391	2,861,969
Total comprehensive income for the year				
Profit for the year	-	-	183,977	183,977
Other comprehensive income	-	1,033	-	1,033
Total comprehensive income for the year	<u>-</u>	<u>1,033</u>	<u>183,977</u>	<u>185,010</u>
Transactions with owners, recognised directly in equity				
<u>Contributions by and distributions to owners</u>				
Issue of shares (see Note 15)				
Under the Dividend Reinvestment Scheme	70,078	-	-	70,078
Under the Keppel Land Share Option Scheme	3,550	-	-	3,550
Share issuance expenses (see Note 15)	(150)	-	-	(150)
Cost of share-based payments	-	3,099	-	3,099
Dividend paid (see Note 13)				
Cash	-	-	(44,351)	(44,351)
Shares	-	-	(70,078)	(70,078)
Issue of convertible bond - equity component (see Note 17)	-	12,050	-	12,050
Total transactions with owners	<u>73,478</u>	<u>15,149</u>	<u>(114,429)</u>	<u>(25,802)</u>
Balance at 31 December 2010	<u>2,061,020</u>	<u>62,218</u>	<u>897,939</u>	<u>3,021,177</u>

The notes shown on pages 172 to 245 form an integral part of the financial statements.



Consolidated Cash Flow Statement

For the financial year ended 31 December 2011

	2011 \$'000	2010 (Restated) \$'000
Operating Activities:		
Pre-tax profit	1,503,928	1,176,797
Adjustments for:		
Depreciation charge	8,782	9,007
Profit on sale of fixed assets and investment properties	(2,421)	(5,996)
Allowance/(write-back of allowance) for foreseeable losses on properties held for sale	11,117	(3,872)
(Write-back of allowance)/allowance for doubtful debts	(486)	409
Cost of share-based payments	4,582	3,099
Interest and investment income	(49,446)	(29,746)
Interest expense	34,795	38,245
Share of results of associated companies	(174,960)	(196,868)
Gain on acquisition of additional interest in an associated company	(3,629)	(2,678)
Corporate restructuring surplus	(508,085)	(363,848)
Other gain	(24,418)	-
Fair value gain on investment properties/impairment	(591,290)	(425,810)
Operating cash flows before changes in working capital	208,469	198,739
Working capital changes:		
Debtors	34,574	(349,631)
Creditors	61,682	45,852
Work-in-progress	(108,510)	(82,583)
Consumable stocks	(460)	427
Development expenditures	(1,551,993)	(1,447,001)
Progress billings received/receivable	464,039	547,302
Cash flows used in operations	(892,199)	(1,086,895)
Interest received	30,146	24,321
Interest paid	(23,658)	(31,992)
Income taxes paid	(52,016)	(57,114)
Net cash flows used in operating activities	(937,727)	(1,151,680)

The notes shown on pages 172 to 245 form an integral part of the financial statements.

	Note	2011 \$'000	2010 (Restated) \$'000
Investing Activities:			
Disposal of subsidiary companies	22	1,577,765	-
Investment in associated companies		(530,635)	(99,600)
Investment in investee companies		(12,568)	(12,886)
Purchase of fixed assets		(13,196)	(9,294)
Expenditure on investment properties		(119,737)	(262,372)
Proceeds from disposal of interest in an associated company		-	839,840
Proceeds from sale of fixed assets and investment properties		14,797	20,365
Dividends received from associated companies		78,718	204,795
Dividends received from investee companies		19,300	5,425
Net cash flows from investing activities		1,014,444	686,273
Financing Activities:			
Proceeds from issuance of shares, net of expenses in relation to Dividend Reinvestment Scheme		3,300	3,400
Drawdown of loans		926,566	1,695,634
Repayment of loans		(444,503)	(886,663)
Loans from/(repayment of loans to) related companies		775	(2,524)
Repayment by associated companies		38,040	562,106
Loans to associated companies		(155,952)	(73,310)
Dividends paid to shareholders		(106,938)	(44,351)
Proceeds from disposal of interest in a subsidiary company without loss of control	22	24,991	-
Acquisition of non-controlling interests		-	(114,378)
Advances from non-controlling shareholders		28,551	77,469
Advances to non-controlling shareholders		(82,236)	(36,707)
Contribution from non-controlling shareholders		40,355	40,523
Dividends paid to non-controlling shareholders		(2,668)	(42,042)
Net cash flows from financing activities		270,281	1,179,157
Net increase in cash and cash equivalents		346,998	713,750
Cash and cash equivalents at beginning of year		1,589,046	892,711
Exchange adjustments		5,893	(17,415)
Cash and cash equivalents at end of year		1,941,937	1,589,046

The notes shown on pages 172 to 245 form an integral part of the financial statements.



Notes to the Financial Statements

For the financial year ended 31 December 2011

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

Keppel Land Limited ("the Company") is a limited liability company incorporated in Singapore, and is listed on the Singapore Exchange Securities Trading Limited.

The registered office and principal place of business of the Company is located at 230 Victoria Street #15-05, Bugis Junction Towers, Singapore 188024.

The financial statements of Keppel Land Limited for the financial year ended 31 December 2011 were authorised for issue on 22 February 2012 in accordance with a resolution of the Board of Directors.

The principal activity of the Company is that of a holding, management and investment company.

The principal activities of its subsidiary companies consist of property investment and development, fund management and property related services.

The immediate and ultimate holding company is Keppel Corporation Limited, incorporated in Singapore, and is listed on the Singapore Exchange Securities Trading Limited.

2. Significant Accounting Policies

(a) Basis of Preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are expressed in Singapore dollars (SGD or \$) and all values are rounded to the nearest thousand (\$'000), except where otherwise indicated.

(i) Adoption of New and Revised Standards

In the current year, the Group adopted the following standards/interpretations that are relevant and effective for financial years beginning on or after 1 January 2011:

INT FRS 115 *Agreements for the Construction of Real Estate*
FRS 24 *Related Party Disclosure (revised)*
Improvements to FRSs issued in 2010

The adoption of the above standards/interpretations did not result in any substantial change to the Group's accounting policies nor any significant impact on the financial statements, except for additional disclosures and the adoption of the INT FRS 115 *Agreements for the Construction of Real Estate*, the effects of which are disclosed in Note 2(a)(ii).

The principal effects of these changes are as follows:

FRS 24 Related Party Disclosure (revised)

The revised FRS 24 clarifies the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised FRS 24 expands the definition of a related party and treats two entities as related to each other whenever a person (or a close member of that person's family) or a third party has control or joint control over the entity, or has significant influence over the entity. The revised standard also introduces a partial exemption of disclosure requirements for government-related entities.

The adoption of the revised FRS 24 affects only the disclosures made in the financial statements. There is no financial effect on the results and financial position of the Group for the current and previous financial years. Accordingly, the adoption of the revised FRS 24 has no impact on the Group's earnings per share.

Improvements to FRSs issued in 2010

In 2010, the Accounting Standards Council issued an omnibus of amendments to FRS. There are separate transitional provisions for each amendment. The adoption of these improvements does not have any significant impact on the financial statements.

(ii) Change in Accounting Policies

INT FRS 115 Agreements for the Construction of Real Estate

The Group adopted INT FRS 115 and its accompanying note on 1 January 2011. INT FRS 115 clarifies when revenue and related expenses from a sale of real estate unit should be recognised if an agreement between a developer and a buyer is reached before the construction of real estate is completed. INT FRS 115 determines that contracts which do not qualify as construction contracts in accordance with FRS 11 *Construction Contracts* can only be accounted for using the percentage of completion ("POC") method if the entity continuously transfers to the buyer control and the significant risks and rewards of ownership of the work-in-progress in its current state as construction progresses.

The Group's previous accounting policy for all pre-completion property sales was to recognise revenue using the POC method as construction progresses. Following the implementation of INT FRS 115 and its accompanying note with effect from 1 January 2011, the Group has adopted the completion of construction ("COC") method to account for its overseas trading projects after taking into consideration the legal framework and industry practices in those countries in which the Group operates.

For Singapore trading projects under progressive payment scheme, the Group has applied the POC method. For residential units sold under deferred payment scheme in Singapore, the Group has applied the COC method in accordance with the clarification note issued by the Accounting Standards Council on 7 June 2011.

2. Significant Accounting Policies (continued)**(a) Basis of Preparation** (continued)**(ii) Change in Accounting Policies** (continued)

INT FRS 115 *Agreements for the Construction of Real Estate* (continued)

The change in accounting policy has been applied retrospectively. The effects of adoption on the financial statements are as follows:

Consolidated Profit and Loss Account	GROUP	
	2011 \$'000	2010 \$'000
Increase/(decrease) in revenue	173,961	(106,865)
(Increase)/decrease in cost of sales	(125,425)	80,030
(Decrease)/increase in share of results of associated companies	(78,708)	20,489
Decrease in taxation	6,170	3,724
Decrease in profit for the year	(24,002)	(2,622)
(Decrease)/increase in profit attributable to:		
Shareholders of the Company	(37,133)	7,088
Non-controlling interests	13,131	(9,710)
	(24,002)	(2,622)
(Decrease)/increase in basic earnings per share (cents)		
Before fair value gain on investment properties/impairment	(2.5)	0.5
After fair value gain on investment properties/impairment	(2.5)	0.5
(Decrease)/increase in diluted earnings per share (cents)		
Before fair value gain on investment properties/impairment	(2.5)	0.5
After fair value gain on investment properties/impairment	(2.5)	0.5

Consolidated Balance Sheet	GROUP		
	31.12.2011 \$'000	31.12.2010 \$'000	31.12.2009 \$'000
Decrease in:			
Revenue reserves	(209,727)	(172,594)	(179,682)
Non-controlling interests	(24,084)	(37,215)	(27,505)
Investment in associated companies	(156,635)	(91,275)	(108,304)
Properties held for sale	(99,618)	(148,154)	(121,319)
Tax provision	(22,442)	(29,620)	(22,436)

(b) Basis of Consolidation and Business Combinations

(i) Basis of Consolidation

Basis of Consolidation from 1 January 2010

The consolidated financial statements comprise the financial statements of the Company and its subsidiary companies as at the balance sheet date. The financial statements of the subsidiary companies used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Subsidiary companies are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance. Non-controlling interests represent the portion of profit or loss and net assets in subsidiary companies not held by the Group and are presented separately in the consolidated profit and loss account and consolidated statement of comprehensive income, and within equity in the consolidated balance sheet, separately from the equity attributable to shareholders of the Company.

Change in the Company's ownership interest in a subsidiary company that does not result in a loss of control is accounted for as an equity transaction. In such circumstance, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary company. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributable to shareholders of the Company.

When control of a subsidiary company is lost as a result of transaction, event or other circumstances, the Group derecognises all assets (including goodwill), liabilities, and non-controlling interests at their carrying amounts and foreign currency translation account, and reclassifies any other component of equity related to the subsidiary company. Any retained interest in the former subsidiary company is recognised at its fair value at the date control is lost, with the gain or loss arising recognised in the profit and loss account.

Basis of Consolidation Prior to 1 January 2010

Certain of the above-mentioned requirements were applied on a prospective basis. The following differences, however, are carried forward in certain instances from the previous basis of consolidation:

- Acquisition of non-controlling interests, prior to 1 January 2010, were accounted for using the parent entity extension method, whereby the difference between the consideration and the book value of the share of the net assets acquired was recognised in goodwill.
- Upon loss of control, the Group accounted for the investment retained at its proportionate share of net asset value at the date control was lost. The carrying values of such investments as at 1 January 2010 have not been restated.

2. Significant Accounting Policies (continued)

(b) Basis of Consolidation and Business Combinations (continued)

(ii) Business Combinations

Business Combinations from 1 January 2010

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 39 either in the profit and loss account or as change to other comprehensive income. If the contingent consideration is classified as equity, it is not remeasured until it is finally settled within equity.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in the profit and loss account.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. The accounting policy for goodwill is set out in Note 2(h). When the excess is negative, a gain on bargain purchase is recognised in the profit and loss account on the acquisition date.

Business Combinations Prior to 1 January 2010

In comparison to the above-mentioned requirements, the following differences applied:

Business combinations were accounted for by applying the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs. The non-controlling interest was measured at the proportionate share of the acquiree's identifiable net assets.

Business combinations achieved in stages were accounted for as separate steps. Adjustments to those fair values relating to previously held interest were treated as a revaluation and recognised in equity. Any additional acquired share of interest did not affect previously recognised goodwill.

Contingent consideration was recognised if, and only if, the Group had a present obligation, the economic outflow was more likely than not and a reliable estimate was determinable. Subsequent measurements to the contingent consideration affected goodwill.

(c) Fixed Assets

Fixed assets are initially recorded at cost and subsequently measured at cost less accumulated depreciation and any impairment in value. When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down to its recoverable amount. Profits or losses on disposal of fixed assets are included in the profit and loss account.

All fixed assets, except for freehold land and assets under construction, are depreciated on a straight-line basis over their estimated useful lives and residual values have also been taken into account where appropriate. No depreciation is provided on freehold land and assets under construction.

The estimated useful lives of the Group's fixed assets are as follows:

Freehold buildings	30 to 50 years
Leasehold land and buildings	Over period of lease (range from 20 to 50 years)
Machinery and equipment	3 to 7 years
Motor vehicles	4 to 5 years

The estimated useful lives, residual values and depreciation method are reviewed at each balance sheet date, with the effect of changes in estimates accounted for on a prospective basis.

(d) Investment Properties

Investment properties comprise completed properties and properties under construction or redevelopment held to earn rental and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value, determined annually by Directors based on valuations by independent professional valuers. Changes in fair value are recognised in the profit and loss account in the year in which they arise.

Investment properties are derecognised when either they are disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal.

Any gain or loss on the retirement or disposal of investment properties is recognised in the profit and loss account in the year of retirement or disposal.

When there is a change of use, transfers to or from investment properties to another asset category are at the carrying values of the properties at the date of transfer.

(e) Subsidiary Companies

A subsidiary company is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

In the Company's separate financial statements, investments in subsidiary companies are accounted for at cost less impairment losses. On disposal of a subsidiary company, the difference between the net disposal proceeds and the carrying amount of the investment is taken to the profit and loss account.

2. Significant Accounting Policies (continued)

(f) Associated Companies

An associated company is an entity, not being a subsidiary company or a joint venture, in which the Group has significant influence, but not control, in the operating and financial policy decisions. An associated company is equity accounted from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associated company.

Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting whereby the Group's share of profits or losses and other comprehensive income of the associated companies are included in the Group's profit and loss account and other comprehensive income respectively, and the Group's share of net assets of the associated companies is included in the balance sheet. Unrealised gains and losses resulting from transactions between the Group and the associated company are eliminated to the extent of the interest in the associated company.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associated company recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in the profit and loss account as part of the Group's share of results of the associated company in the year in which the investment is acquired.

When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associated companies.

The most recently available audited financial statements of the associated companies are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not co-terminous with those of the Group, the share of results is arrived at from the last audited financial statements available and unaudited management financial statements to the end of the accounting year. Where necessary, adjustments are made to align the accounting policies with those of the Group.

Investments in associated companies are stated in the Company's financial statements at cost less impairment losses. Upon loss of significant influence over the associated company, the Group measures any retained investment at its fair value. Any difference between the carrying amount of the associated company upon loss of significant influence and the fair value of the aggregate of the retained investment and proceeds from disposal is recognised in the profit and loss account.

(g) Long-term Investments

Long-term investments represent non-derivative financial assets that are designated as available-for-sale. After initial recognition, available-for-sale financial assets are measured at fair value. Gains or losses arising from changes in fair value are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses on monetary assets and interest calculated using the effective interest method which are recognised in the profit and loss account. Where the investment is disposed of or determined to be impaired, the cumulative gains or losses previously recognised in other comprehensive income and accumulated in available-for-sale asset reserve are reclassified to the profit and loss account.

The fair value of quoted investments is generally determined by reference to the relevant stock exchanges' quoted market bid prices at the close of business on the balance sheet date. For investments where there is no active market, the fair value is determined using various valuation techniques. Such techniques include using recent arm's length market transactions, reference to the underlying net asset value of the investee companies and discounted cash flow analysis.

Investments in equity instruments where fair value cannot be reliably determined are measured at cost less impairment losses.

(h) Goodwill

Goodwill acquired in a business combination is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment loss. Goodwill is reviewed for impairment, at least annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

(i) Derivative Financial Instruments

Derivative financial instruments are initially recognised at fair value on the dates the derivative contracts are entered into and are subsequently remeasured at fair value. Derivative financial instruments are carried as assets when the fair values are positive and as liabilities when the fair values are negative.

Gains or losses arising from changes in fair value of derivative financial instruments are taken to the profit and loss account for the year.

For cash flow hedges, the effective portion of the gains or losses on the hedging instrument is recognised directly in other comprehensive income, while the ineffective portion is recognised in the profit and loss account. Amounts taken to other comprehensive income are reclassified to the profit and loss account when the hedged transaction affects profit and loss.

2. Significant Accounting Policies (continued)

(j) Properties Held for Sale

Properties under development are stated at the lower of cost and net realisable value. The costs are assigned by using specific identification. Cost includes cost of land and construction, related overhead expenditure, and financing charges incurred during the period of development. Net realisable value represents the estimated selling price less costs to be incurred in selling the property. Upon completion of construction, they are transferred to completed properties held for sale.

Each property under development is accounted for as a separate project. Where a project comprises more than one component or phase with a separate temporary occupation permit, each component or phase is treated as a separate project, and interest and other net costs are apportioned accordingly.

Progress claims made against partly completed projects are offset against their development costs.

When losses are expected, full allowance is made in the financial statements after adequate allowance has been made for estimated costs to completion. Any expenditure incurred on abortive projects is written off in the profit and loss account.

Completed properties held for sale are stated at the lower of cost and net realisable value. Cost includes cost of land and construction, related overhead expenditure, financing charges and other net costs incurred during the period of development.

(k) Stocks

Stocks are valued at the lower of cost and net realisable value. Allowance is made for damaged, obsolete or slow-moving stocks on an item by item basis.

(l) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, fixed deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

(m) Financial Assets

Financial assets are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. Financial assets include cash and cash equivalents, trade and other debtors, amounts owing by holding company and related parties, and investments. When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through the profit and loss account, directly attributable transaction costs. The Group determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been previously recognised in other comprehensive income is recognised in the profit and loss account.

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables comprise trade debtors, other debtors, amounts owing by holding company and related parties, and cash and cash equivalents. Subsequent to initial recognition, loans and receivables are measured at amortised carrying value using the effective interest method, less impairment losses. Gains and losses are recognised in the profit and loss account when the loans and receivables are derecognised or impaired, and through the amortisation process.

(n) Impairment of Assets

Impairment of Non-Financial Assets

At each balance sheet date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that the assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of an asset or a CGU exceeds its recoverable amount. The recoverable amount of an asset or a CGU is the higher of its fair value less cost to sell and value-in-use.

Impairment losses are recognised in the profit and loss account. Impairment losses recognised in respect of CGU are allocated first to reduce the carrying amount of goodwill allocated to the CGU and then, to reduce the carrying amount of the other assets of the CGU on a pro-rata basis.

An impairment loss recognised for goodwill is not reversed in a subsequent period. In respect of other non-financial assets, a previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of the asset since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. A reversal of impairment loss is recognised in the profit and loss account.

Impairment of Financial Assets

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

(i) Assets Carried at Amortised Carrying Value

If there is objective evidence that a financial asset carried at amortised carrying value is impaired, the amount of the loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows discounted at the original effective interest rate of the financial asset. The carrying amount of the asset is reduced through the use of an allowance account, and the loss is recognised in the profit and loss account.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortised carrying value at the reversal date. The amount of reversal is recognised in the profit and loss account.

2. Significant Accounting Policies (continued)

(n) Impairment of Assets (continued)

Impairment of Financial Assets (continued)

(ii) Assets Carried at Cost

If there is objective evidence that a financial asset carried at cost is impaired, the amount of the loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent years.

(iii) Available-for-Sale Financial Assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, the amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the profit and loss account, is transferred from equity to the profit and loss account. Reversals of impairment loss in respect of equity instruments are not recognised in the profit and loss account. Reversals of impairment losses on debt instruments are recognised in the profit and loss account, if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognised in the profit and loss account.

(o) Financial Liabilities

Financial liabilities within the scope of FRS 39 are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Financial liabilities include creditors, amounts owing to holding company and related parties, and borrowings. All financial liabilities, other than financial liabilities at fair value through profit or loss, are recognised initially at fair value, plus directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised carrying value using the effective interest method.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss is recognised in the profit and loss account when the liability is derecognised, and through the amortisation process.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are initially recognised at their fair values plus transaction costs in the balance sheet. Financial guarantees are subsequently amortised to the profit and loss account over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to the profit and loss account.

(p) Convertible Bonds

Convertible bonds are separated into the equity and liability components at the date of issue. The liability component is recognised initially at its fair value. Subsequent to initial recognition, it is carried at amortised cost using the effective interest method until the liability is extinguished on conversion or redemption of the bonds. The equity component is the residual amount of the convertible bond after deducting the fair value of the liability component. This is recognised and included in equity, net of deferred tax effect, and is not subsequently remeasured.

(q) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of economic resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

(r) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable.

The Group recognises revenue and profit from sale of completed properties held for sale when the significant risks and rewards of ownership of the properties have been transferred to the purchasers.

Revenue recognition on partly completed properties held for sale is based on the following methods:

- (i) For Singapore trading properties under progressive payment scheme, profit is recognised upon the signing of sales contracts and payment of the first instalment is 20% of the total estimated profit attributable to the actual contracts signed. Subsequent recognition of profit is based on the percentage of completion method as construction progresses. The percentage of work completed is measured based on the construction and related costs incurred to date as a proportion of the estimated total construction and related costs;
- (ii) For Singapore trading properties under deferred payment scheme and overseas trading properties, profit is recognised upon the transfer of significant risks and rewards of ownership of the properties to the purchasers.

Rental and related income from operating leases on investment properties are recognised on a straight-line basis over the lease term. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

Dividend income is recognised when the Group's right to receive payment is established.

Interest income is recognised on a time proportion basis (using the effective interest method).

Service charges, management fees and car park fees are recognised in the year in which the services are rendered.

2. Significant Accounting Policies (continued)

(s) Borrowing Costs

Borrowing costs incurred to finance the development of properties are capitalised during the period of time that is required to complete and prepare the assets for their intended use. Other borrowing costs are taken to the profit and loss account over the period of borrowing using the effective interest method.

(t) Employee Benefits

Defined Contribution Plan

The Group makes contributions to pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies make contributions to the Central Provident Fund in Singapore, a defined contribution pension scheme. Contributions to pension schemes are recognised as an expense in the year in which the related service is performed.

Employee Leave Entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to the balance sheet date.

Share Option Scheme and Share Plans

The Group operates share-based compensation plans. The fair value of the employee services received in exchange for the grant of options, restricted shares and performance shares is recognised as an expense in the profit and loss account with a corresponding increase in the share option and share plan reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair values of the options, restricted shares and performance shares granted at the respective dates of grant.

At each balance sheet date, the Group revises its estimates of the number of options that are expected to become exercisable and share plan awards that are expected to vest on the vesting dates, and recognises the impact of the revision of the estimates in the profit and loss account, with a corresponding adjustment to the share option and share plan reserve over the remaining vesting period.

No expense is recognised for options or share plan awards that do not ultimately vest, except for options or share plan awards where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The proceeds received from the exercise of options are credited to share capital when the options are exercised. When the share plan awards are released, the share option and share plan reserve is transferred to share capital if new shares are issued.

(u) Taxation

Current Tax

Current tax assets and liabilities for the current and prior years are measured at the amounts expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Current tax is recognised in the profit and loss account except to the extent that the tax relates to items recognised outside the profit and loss account, either in other comprehensive income or directly in equity.

Deferred Tax

Deferred tax is provided using the liability method, on temporary differences between the tax bases of assets and liabilities at the balance sheet date and their carrying amounts. The principal temporary differences arise from fair value gain on investment properties, depreciation of fixed assets, unremitted offshore income and certain provisions or charges in the accounts for which the tax relief is not immediately available.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investment in subsidiary and associated companies to the extent that it is probable that they will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised as an expense or income in the profit and loss account, except where it relates to items recognised in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity, or where it arises from the initial accounting for a business combination. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Sales Tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- (i) Where the sales tax incurred in a purchase of an asset or service is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- (ii) Debtors and creditors are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of debtors and creditors in the balance sheet.

2. Significant Accounting Policies (continued)

(v) Foreign Currencies

Functional Currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity ("functional currency").

The financial statements of the Group and the balance sheet and statement of changes in equity of the Company are presented in Singapore dollars, which is the functional currency of the Company.

Foreign Currency Transactions

Transactions in foreign currencies are translated at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at exchange rates approximating those ruling at that date. Exchange differences arising from settlement or translation of monetary items are taken to the profit and loss account, except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation account. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Exchange differences on non-monetary items such as available-for-sale financial assets are included in the available-for-sale asset reserve.

Foreign Currency Translation

For inclusion in the Group's financial statements, all assets and liabilities of foreign subsidiary and associated companies that are in functional currencies other than Singapore dollars are translated into Singapore dollars at the exchange rates ruling at the balance sheet date. The trading results of foreign subsidiary and associated companies are translated into Singapore dollars using the average exchange rates for the financial year. Exchange differences due to such currency translation are recognised in other comprehensive income and accumulated in the foreign currency translation account. On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation shall be reclassified from equity to the profit and loss account when the gain or loss on disposal is recognised.

In the case of a partial disposal without loss of control of a subsidiary company that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in the profit and loss account. For partial disposal of associated companies that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to the profit and loss account.

Goodwill and fair value adjustments arising on acquisition of a foreign entity on or after 1 January 2005 are treated as foreign currency assets and liabilities of the acquiree and recorded at the closing exchange rate.

(w) Segment Reporting

For management purposes, the Group is organised into strategic business units based on their products, services and geography. The Group has four reportable operating segments, namely property trading, property investment, fund management, and also hotels and resorts, property services and others. Management monitors the results of each of these operating segments for the purpose of making decisions on resource allocation and performance assessment. Additional disclosures on these segments are shown in Note 32.

(x) Operating Leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

As Lessee

Operating lease payments (net of any incentive received from lessor) are taken to the profit and loss account on a straight-line basis over the lease term. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the year in which termination takes place.

As Lessor

Assets leased out under operating leases are included in investment properties and are stated at fair values. Rental income (net of any incentive given to lessee) is recognised on a straight-line basis over the lease term.

(y) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and for which the fair values can be reliably determined.

(z) Critical Accounting Estimates and Judgement

(i) Critical Judgement Made in Applying the Group's Accounting Policies

In the process of applying the Group's accounting policies, management is of the opinion that there is no instance of application of judgement which is expected to have a significant effect on the amounts recognised in the financial statements, apart from those involving estimations described below.

(ii) Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

Revenue Recognition

For Singapore property trading projects under progressive payment scheme, the Group recognises revenue from partly completed projects based on the percentage of completion method. The stage of completion is measured in accordance with the accounting policy stated in Note 2(r). Significant assumptions are required in determining the stage of completion, the total estimated development costs and the estimated total revenue. In making the assumptions, the Group evaluates them by relying on past experience and the work of specialists. Revenue from partly completed projects is disclosed in Note 4.

2. Significant Accounting Policies (continued)

(z) Critical Accounting Estimates and Judgement (continued)

(ii) Key Sources of Estimation Uncertainty (continued)

Income Taxes

The Group has exposure to income taxes in numerous jurisdictions. Significant assumption is required in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made. The carrying amounts of taxation and deferred taxation are disclosed in the balance sheet.

Impairment of Non-Financial Assets

The Group assesses at each balance sheet date whether there are any indicators of impairment for all non-financial assets.

Determining whether the carrying values of fixed assets, investments in subsidiary and associated companies are impaired requires an estimation of the value in use of the asset or the CGU. This requires the Group to estimate the future cashflows expected from the asset or the CGU and an appropriate discount rate in order to calculate the present value of the future cashflows. The carrying amounts of fixed assets, investment in subsidiary companies and investment in associated companies at the balance sheet date are disclosed in Notes 18, 22 and 23 respectively.

Impairment of Available-for-Sale Financial Assets

The Group follows the guidance of FRS 39 in determining when an available-for-sale financial asset is considered impaired. The Group evaluates, among other factors, the duration and extent to which the fair value of a financial asset is less than its cost, the financial health of and the near-term business outlook of the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow. The fair values of long-term investments are disclosed in Note 24.

Impairment of Loans and Receivables

The Group assesses at each balance sheet date whether there is any objective evidence that a loan and receivable is impaired. To determine whether there is objective evidence of impairment, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

When there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amounts of loans and receivables at the balance sheet date are disclosed in Notes 20, 27, 28 and 29 to the financial statements.

Allowance for Foreseeable Losses on Properties Held for Sale

For properties held for sale, allowance for foreseeable losses is made when the net realisable value has fallen below cost. The carrying amount of properties held for sale and the key assumptions used in estimating net realisable value and total construction costs are disclosed in Note 25.

3. Analysis of the Group's Profit from Operations/Fair Value Gain on Investment Properties/ Impairment

	2011			2010 (Restated)		
	Operations \$'000	Fair Value Gain/ Impairment \$'000	Total \$'000	Operations \$'000	Fair Value Gain/ Impairment \$'000	Total \$'000
Pre-tax profit	912,638	591,290	1,503,928	750,987	425,810	1,176,797
Taxation	(71,939)	(36,287)	(108,226)	(96,000)	(22,834)	(118,834)
	840,699	555,003	1,395,702	654,987	402,976	1,057,963
Non-controlling interests	(24,869)	(5,187)	(30,056)	(7,142)	2,098	(5,044)
Profit attributable to shareholders	815,830	549,816	1,365,646	647,845	405,074	1,052,919

4. Sales

	GROUP	
	2011 \$'000	2010 (Restated) \$'000
Trading of properties:		
Recognised on completion of construction method	441,692	425,878
Recognised on percentage of completion method	266,387	46,840
	708,079	472,718
Rental and related income	80,105	70,200
Fund management fees	82,300	68,723
Operations of hotels and resorts, property services, and others	78,490	73,767
	948,974	685,408

5. Profit for the Year

	GROUP	
	2011	2010
	\$'000	(Restated) \$'000
The following amounts have been charged/(credited) in arriving at the profit for the year:		
(a) Other income:		
Net lease income	(19,435)	-
Profit on sale of investment properties	(2,371)	(6,041)
	(21,806)	(6,041)
(b) Staff costs:		
Key managers' emoluments:		
Short-term benefits (including annual base salaries and annual performance incentives)	13,936	12,491
Employer's contribution to defined contribution plans, including the Central Provident Fund	100	83
Cost of share-based payments	2,001	1,327
	16,037	13,901
Other staff costs:		
Short-term benefits (including annual base salaries and annual performance incentives)	104,077	93,078
Employer's contribution to defined contribution plans, including the Central Provident Fund	7,362	5,773
Cost of share-based payments	2,581	1,772
	114,020	100,623
Total staff costs	130,057	114,524
(c) Others:		
Depreciation of fixed assets (see Note 18):		
Freehold buildings	5	4
Leasehold properties	4,377	4,650
Machinery, equipment and vehicles	4,400	4,353
	8,782	9,007
(Profit)/loss on sale of fixed assets	(50)	45
Auditors' remuneration:		
Auditors of the Company	793	783
Other auditors	1,211	1,011
Fees to non-executive Directors of the Company	928	789
Cost of properties held for sale recognised in cost of sales	557,336	322,007
Foreign exchange loss	11,406	2,895
Fair value loss/(gain) on foreign currency forward contracts	563	(4,701)
(Write-back of allowance)/allowance for doubtful debts	(486)	409
Allowance/(write-back of allowance) for foreseeable losses on properties held for sale	11,117	(3,872)
Direct expenses of investment properties that generate rental income	31,934	32,336

Staff costs capitalised during the year under properties held for sale amounted to \$18,490,000 (2010: \$10,342,000).

Total share-based payments of \$4,582,000 comprise equity-settled and cash-settled payments of \$4,326,000 and \$256,000 respectively.

6. Interest and Investment Income

	GROUP	
	2011 \$'000	2010 \$'000
Gross dividends from unquoted investments	19,300	5,425
Interest from deposits and loans with:		
Banks	14,502	9,700
Associated companies	6,064	14,157
Related companies	987	272
Interest from advances to non-controlling shareholders of certain subsidiary companies	907	-
Interest from instalment and deferred payment schemes, and others	7,686	192
	49,446	29,746

A related company is a subsidiary company of Keppel Corporation Limited in which the Company has no shareholding interest.

Related parties include subsidiary companies, associated companies, related companies, Temasek Group and Directors of the Company and their associates.

Interests on deposits with related companies are earned at the following interest rates per annum:

	2011		2010	
	Lowest %	Highest %	Lowest %	Highest %
Singapore dollar	0.01	0.43	0.00	0.28
United States dollar	0.00	0.44	0.00	0.72
Australian dollar	4.26	4.66	3.20	4.65

Information on interest rates for interest received from associated companies, related companies, banks and advances to non-controlling shareholders of certain subsidiary companies is disclosed in Notes 20, 27, 28 and 29.

7. Interest Expense

	GROUP	
	2011 \$'000	2010 \$'000
Interest expense on:		
Convertible bonds:		
Long-term portion (see Note 17)	21,199	1,135
Short-term portion (see Note 31)	6,813	14,111
Other term loans and overdrafts from:		
Related companies	114	119
Banks	4,249	17,875
Loans from non-controlling shareholders of certain subsidiary companies and others	1,048	3,195
Rental and income support payables	1,372	1,810
	34,795	38,245

Information on interest rates is disclosed in Notes 17, 28, 30 and 31.

8. Gain on Acquisition of Additional Interest in an Associated Company

The gain arose from the excess of the Group's share of identifiable net tangible assets of an associated company over the acquisition price of the additional units acquired.

9. Corporate Restructuring Surplus

The corporate restructuring surplus in 2011 arose from the disposal of the Group's 87.51% equity interest in a subsidiary company, Ocean Properties Pte. Limited, to K-REIT Asia. The details of the disposal are disclosed in Note 22.

The corporate restructuring surplus in 2010 arose from the disposal of the Group's interest in an associated company to K-REIT Asia as part of an asset swap arrangement between the Group and K-REIT Asia. Under the asset swap arrangement, the Group disposed of the associated company at a consideration of \$1,399,221,000 and at the same time, acquired Keppel Towers and GE Tower from K-REIT Asia at a consideration of \$573,000,000, and received the balance in cash.

10. Other Gain

The gain arose from the disposal of the Group's interest in a wholly-owned subsidiary company, Keppel Digihub Ltd. The details of the disposal are disclosed in Note 22.

11. Fair Value Gain on Investment Properties/Impairment

	GROUP	
	2011 \$'000	2010 \$'000
(a) Fair value gain on investment properties	613,068	442,650
(b) Impairment of fixed assets	(21,778)	(16,840)
	591,290	425,810

The fair value gain on investment properties/impairment is analysed as follows:

	2011				2010			
	Gross \$'000	Deferred Tax \$'000	Non- controlling Interests \$'000	Net \$'000	Gross \$'000	Deferred Tax \$'000	Non- controlling Interests \$'000	Net \$'000
Fair value gain:								
Subsidiary companies	411,322	(2,859)	(14,404)	394,059	22,746	(5,734)	(4,188)	12,824
Associated companies	201,746	(33,428)	-	168,318	419,904	(17,100)	-	402,804
	613,068	(36,287)	(14,404)	562,377	442,650	(22,834)	(4,188)	415,628
Impairment:								
Subsidiary companies	(16,900)	-	9,143	(7,757)	(11,619)	-	6,286	(5,333)
Associated companies	(4,878)	-	74	(4,804)	(5,221)	-	-	(5,221)
	(21,778)	-	9,217	(12,561)	(16,840)	-	6,286	(10,554)
Total	591,290	(36,287)	(5,187)	549,816	425,810	(22,834)	2,098	405,074

The fair value gain for subsidiary companies for 2011 included a fair value gain relating to Ocean Financial Centre of \$369,193,000.

The Group made impairment (net of non-controlling interests) of \$12,561,000 (2010: \$10,554,000) for certain hotels and resorts in Indonesia. The carrying values of these properties were written down to their recoverable amounts mainly based on valuations by independent firms of professional valuers.

12. Taxation

	GROUP	
	2011	2010 (Restated)
	\$'000	\$'000
Current tax:		
Current income tax	48,518	57,486
(Over)/under provision in respect of previous years	(2,902)	6,276
	45,616	63,762
Deferred tax:		
Origination and reversal of temporary differences	2,296	6,735
Overprovision in respect of previous years	-	(444)
	2,296	6,291
	47,912	70,053
Associated companies (see Note 23)	68,022	52,380
Group relief	(7,708)	(3,599)
	108,226	118,834

The reconciliation between the tax expense reported and the product of accounting profit multiplied by the applicable tax rate is as follows:

	GROUP	
	2011	2010 (Restated)
	\$'000	\$'000
Pre-tax profit	1,503,928	1,176,797
Tax calculated at tax rate of 17% (2010: 17%)	255,668	200,055
Adjustments:		
Non-deductible expenses	10,107	14,981
Income not subject to tax	(165,661)	(64,183)
Share of results of associated companies	(63,211)	(103,964)
(Over)/under provision in respect of previous years	(2,902)	5,832
Different tax rates in other jurisdictions	8,978	11,914
Utilisation of previously unrecognised tax benefits	(10,287)	(3,216)
Tax benefits not recognised	15,220	8,634
	47,912	70,053

Under the group tax relief system introduced by the Inland Revenue Authority of Singapore ("IRAS"), a Singapore incorporated company may, upon satisfaction of the criteria set out by the IRAS, transfer its current year's unabsorbed capital allowances, trade losses and donations to another company belonging to the same group, to be deducted against the assessable income of the latter company. The loss so utilised is recognised as a deferred tax asset in the financial statements of the transferor company.

12. Taxation (continued)**Tax Provision**

	GROUP			COMPANY	
	2011 \$'000	2010 (Restated) \$'000	2009 (Restated) \$'000	2011 \$'000	2010 \$'000
Provision for taxation	124,479	137,198	132,853	12,137	9,976
Income tax refund receivable	(413)	(315)	(90)	-	-
	124,066	136,883	132,763	12,137	9,976

The Group has certain unutilised tax losses of \$229,429,000 (2010: \$215,979,000) as at 31 December 2011 for which related tax benefits totaling \$40,886,000 (2010: \$36,716,000) have not been included in the financial statements. The tax losses are available for offset against future taxable profits of the companies in which the losses arose but for which no deferred tax asset has been recognised due to uncertainty of their recoverability. The use of tax losses is subject to the agreement by the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the Group operates.

Deferred Taxation

Deferred tax at the end of the year consists of the following:

	GROUP		COMPANY	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Tax liabilities arising from:				
Fair value gain on investment properties	25,238	81,207	-	-
Differences in depreciation	7,889	8,160	-	-
Differences in fair values and book values of assets of subsidiary companies acquired	8,056	8,062	-	-
Issuance of convertible bonds	3,543	5,052	3,543	5,052
Others	46	340	5	5
	44,772	102,821	3,548	5,057

As at 31 December 2011, deferred tax liabilities amounting to \$12,261,000 (2010: \$8,951,000) had not been recognised for taxes that would be payable on the undistributed earnings of certain subsidiary companies as these earnings would not be distributed in the foreseeable future.

Movements in the deferred tax liabilities and assets are as follows:

	Fair Value Gain on Investment Properties \$'000	Differences in Depreciation \$'000	Fair Value Adjustments on Acquisition of Subsidiary Companies \$'000	Issuance of Convertible Bonds \$'000	Others \$'000	Total \$'000
GROUP						
At 1 January 2011	81,207	8,160	8,062	5,052	340	102,821
Charged/(credited) to profit and loss account	2,859	672	(6)	(1,509)	280	2,296
Companies disposed	(59,201)	(875)	-	-	-	(60,076)
Reclassification	613	-	-	-	(613)	-
Exchange differences on consolidation	(240)	(68)	-	-	39	(269)
At 31 December 2011	<u>25,238</u>	<u>7,889</u>	<u>8,056</u>	<u>3,543</u>	<u>46</u>	<u>44,772</u>
At 1 January 2010	75,717	7,021	12,172	3,615	(2)	98,523
Charged/(credited) to profit and loss account	5,734	1,546	(285)	(1,031)	327	6,291
Charged to equity	-	-	-	2,468	-	2,468
Reclassification/adjustment	382	(382)	(3,825)	-	-	(3,825)
Exchange differences on consolidation	(626)	(25)	-	-	15	(636)
At 31 December 2010	<u>81,207</u>	<u>8,160</u>	<u>8,062</u>	<u>5,052</u>	<u>340</u>	<u>102,821</u>

There is no deferred tax recognised in other comprehensive income.

	Issuance of Convertible Bonds \$'000	Others \$'000	Total \$'000
COMPANY			
At 1 January 2011	5,052	5	5,057
Credited to profit and loss account	(1,509)	-	(1,509)
At 31 December 2011	<u>3,543</u>	<u>5</u>	<u>3,548</u>
At 1 January 2010	3,615	5	3,620
Credited to profit and loss account	(1,031)	-	(1,031)
Charged to equity	2,468	-	2,468
At 31 December 2010	<u>5,052</u>	<u>5</u>	<u>5,057</u>

13. Dividends

- (a) Final Dividend Paid

	GROUP AND COMPANY	
	2011	2010
	\$'000	\$'000
Dividends on ordinary shares:		
Final one-tier ordinary dividend of 9 cents per share and special dividend of 9 cents per share under the Dividend Reinvestment Scheme (2010: Final one-tier dividend of 8 cents per share under the Dividend Reinvestment Scheme):		
Cash	106,938	44,351
Shares	154,411	70,078
	261,349	114,429

- (b) The Directors have proposed that a final one-tier tax exempt dividend of 20 cents per share (2010: an ordinary dividend of 9 cents per share and a special dividend of 9 cents per share) amounting to \$297,989,000 (2010: \$261,349,000), subject to the shareholders' approval at the forthcoming Annual General Meeting of the Company, be paid for the year ended 31 December 2011. The Dividend Reinvestment Scheme will be applicable to this final one-tier tax exempt dividend.

14. Earnings per Share

	GROUP			
	2011 \$'000		2010 (Restated) \$'000	
	Basic	Diluted	Basic	Diluted
Profit attributable to shareholders (see Note 3)	815,830	815,830	647,845	647,845
Fair value gain on investment properties/impairment, net of deferred tax and non-controlling interests (see Notes 3 and 11)	549,816	549,816	405,074	405,074
Profit after fair value gain on investment properties/impairment	<u>1,365,646</u>	<u>1,365,646</u>	<u>1,052,919</u>	<u>1,052,919</u>
	2011 Number of Shares '000		2010 (Restated) Number of Shares '000	
	Basic	Diluted	Basic	Diluted
Weighted average number of shares	1,465,175	1,465,175	1,437,145	1,437,145
Adjustment for potential dilutive shares under:				
Employee share option scheme	-	244	-	109
Restricted share plan	-	1,493	-	874
Performance share plan	-	1,062	-	963
Weighted average number of shares used to compute earnings per share	<u>1,465,175</u>	<u>1,467,974</u>	<u>1,437,145</u>	<u>1,439,091</u>
Earnings per share (cents) based on:				
Profit before fair value gain on investment properties/impairment	55.7	55.6	45.1	45.0
Profit after fair value gain on investment properties/impairment	93.2	93.0	73.3	73.2

The earnings per share with the inclusion of profit after fair value gain on investment properties/impairment have taken into account deferred tax and non-controlling interests as shown in Note 11.

15. Share Capital

	GROUP AND COMPANY			
	2011 Number of Shares '000	2010 Number of Shares '000	2011 \$'000	2010 \$'000
Issued and fully paid: 1,489,943,654 (2010: 1,450,245,722) ordinary shares	1,489,944	1,450,246	2,219,880	2,061,020
Issued and fully paid: At 1 January	1,450,246	1,429,743	2,061,020	1,987,542
Issue of shares:				
Under the Dividend Reinvestment Scheme	37,846	19,305	154,411	70,078
Under the Keppel Land Restricted Share Plan	298	-	1,149	-
Under the Keppel Land Share Option Scheme	1,554	1,198	3,460	3,550
Share issuance expenses	-	-	(160)	(150)
At 31 December	1,489,944	1,450,246	2,219,880	2,061,020

On 20 June 2011, the Company allotted and issued 37,845,636 ordinary shares at an issue price of \$4.08 per share to eligible shareholders who have validly elected to participate in the Dividend Reinvestment Scheme in respect of the final ordinary dividend of 9 cents per share and special dividend of 9 cents per share for the financial year ended 31 December 2010.

During the year, the Company issued 297,700 ordinary shares at \$3.86 per share upon the vesting of shares released under the Keppel Land Restricted Share Plan.

During the year, the Company issued for cash 1,554,596 shares comprising 4,693 shares at \$1.16 per share, 9,386 shares at \$1.23 per share, 152,514 shares at \$3.47 per share, 482,768 shares at \$3.76 per share, 888,985 shares at \$1.19 per share and 16,250 shares at \$2.67 per share to certain full-time employees on the exercise of their options under the Keppel Land Share Option Scheme.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

Keppel Land Share Option Scheme

(a) The Keppel Land Share Option Scheme ("the Scheme") which has been approved by the shareholders of the Company is administered by the Remuneration Committee whose members are:

Tan Yam Pin, Chairman
Choo Chiau Beng
Lim Ho Kee
Tsui Kai Chong
Khor Poh Hwa

At the Extraordinary General Meeting of the Company held on 23 April 2010, the Company's shareholders approved the adoption of two new share plans, with effect from the date of termination of the Scheme. The Scheme was terminated on 30 June 2010. Options granted and outstanding prior to the termination will continue to be valid and subject to the terms and conditions of the Scheme.

- (b) Under the Scheme, an option may, except in certain special circumstances, be exercised at any time after 2 years but no later than the expiry date. The shares under option may be exercised in full or in respect of 100 shares or a multiple thereof, on the payment of the subscription price. The subscription price is based on the average last business done price for the shares of the Company on the Singapore Exchange Securities Trading Limited for the 3 market days preceding the date of offer. The Remuneration Committee may at its discretion fix the subscription price at a discount not exceeding 20% of the above-mentioned average market price. None of the options offered in the financial year was granted at a discount. The executive employees to whom the options have been granted do not have the right to participate by virtue of the options in a share issue of any other company.
- (c) Pursuant to Rule 12(a)(iv) of the Scheme, the number and the exercise price of those share options granted prior to 12 June 2009 have been adjusted for the effects of the Company's rights issue in 2009.

Movements in the number of share options and their weighted average exercise prices are as follows:

	2011		2010	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
At 1 January	5,551,871	\$3.82	5,965,848	\$3.69
Granted	-	\$ -	960,750	\$3.37
Exercised	(1,554,596)	\$2.23	(1,197,827)	\$2.96
Forfeited	(219,582)	\$5.20	(172,207)	\$2.59
Expired	(9,385)	\$1.16	(4,693)	\$2.11
At 31 December	<u>3,768,308</u>	<u>\$4.41</u>	<u>5,551,871</u>	<u>\$3.82</u>
Exercisable at 31 December	<u>2,905,058</u>	<u>\$4.72</u>	<u>2,863,757</u>	<u>\$5.17</u>

The weighted average share price at the date of exercise for options exercised during the financial year was \$4.22 (2010: \$4.05). The options outstanding at the end of the financial year had a weighted average exercise price of \$4.41 (2010: \$3.82) and a weighted average remaining contractual life of 6.8 years (2010: 7.7 years).

- (d) As at 31 December 2011, there were options granted to certain employees to take up 3,768,308 unissued shares in the Company as follows:

Exercise Price (Adjusted for Rights Issue) (\$)	Number of Share Options (Adjusted for Rights Issue)
1.23	8,212
3.33	117,319
3.47	117,319
6.81	504,472
6.86	504,471
5.03	603,607
3.76	200,029
1.19	38,129
2.67	811,500
3.37	863,250
	<u>3,768,308</u>

15. Share Capital (continued)**Keppel Land Share Plans**

(a) The Keppel Land Restricted Share Plan ("KLL RSP") and Keppel Land Performance Share Plan ("KLL PSP") are share-based incentive plans for the key senior management and employees of the Company. They were approved by the Company's shareholders at the Extraordinary General Meeting of the Company on 23 April 2010 and are administered by the Remuneration Committee.

(b) Details of the KLL RSP and KLL PSP are as follows:

	KLL RSP	KLL PSP
Plan description	Award of fully-paid ordinary shares of the Company, conditional on achievement of pre-determined targets at the end of a one-year performance period	Award of fully-paid ordinary shares of the Company, conditional on achievement of pre-determined targets over a three-year performance period
Performance conditions	Return on equity	(a) Economic value added (b) Absolute total shareholder's return (c) Relative total shareholder's return to FTSE ST Real Estate Holding & Development ("FSTREH") Index
Final award	0% or 100% of the contingent award granted, depending on achievement of pre-determined targets	0% to 150% of the contingent award granted, depending on achievement of pre-determined targets
Vesting condition and schedule	If pre-determined targets are achieved, awards will vest equally over three years subject to fulfillment of service requirements	If pre-determined targets are achieved, awards will vest at the end of the three-year performance period subject to fulfillment of service requirements

(c) Movements in the number of shares under KLL RSP and KLL PSP are as follows:

	2011		2010	
	RSP	PSP	RSP	PSP
At 1 January	874,000	656,000	-	-
Contingent awards granted	924,800	524,000	886,000	656,000
Vested	(297,700)	-	-	-
Cancelled	(7,900)	-	(12,000)	-
At 31 December	1,493,200	1,180,000	874,000	656,000

Under KLL RSP, there were 571,000 (2010: Nil) restricted shares that were released but not vested as well as a contingent award of 922,200 (2010: 874,000) restricted shares that were granted but not released as at 31 December 2011. Depending on the achievement of pre-determined performance targets, the actual number of restricted shares to be released can be zero or 100% of the contingent award granted.

Under KLL PSP, there were contingent awards of 1,180,000 (2010: 656,000) performance shares that were granted but not released as at 31 December 2011. Depending on the achievement of pre-determined performance targets, the actual number of performance shares to be released can range from zero to 150% of the contingent awards granted.

- (d) On 30 June 2011, the Company granted contingent awards of 924,800 shares under KLL RSP and 524,000 shares under KLL PSP. The estimated fair values of the shares granted under KLL RSP range from \$3.34 to \$3.58. The estimated fair value of the shares granted under KLL PSP is \$2.27. The fair values of the contingent awards are determined at the grant date using Monte Carlo simulation method which involves projection of future outcomes using statistical distributions of key random variables including share price and volatility. The significant inputs into the model are as follows:

	2011		2010	
	RSP	PSP	RSP	PSP
Date of grant	30.06.11	30.06.11	30.06.10	30.06.10
Prevailing share price at date of grant	\$3.62	\$3.62	\$3.90	\$3.90
Expected volatility				
Company	65.17%	65.17%	65.94%	65.94%
FSTREH Index	-	36.90%	-	38.22%
Correlation with FSTREH Index	-	92.40%	-	92.80%
Expected term	0.5 - 2.5 years	2.5 years	0.5 - 2.5 years	2.5 years
Risk free rate	0.43% - 0.54%	0.54%	0.42% - 0.53%	0.53%
Expected dividend yield	*	*	*	*

* The expected dividend yield is based on management's forecast.

The expected volatilities are based on the historical volatilities of the Company's share price and the FSTREH Index price over the previous 36 months immediately preceding the grant date. The expected term used in the model is based on the grant date and the end of the performance period.

- (e) Senior managers are required to hold a portion of the shares released to them under a share ownership guideline which requires them to maintain a beneficial ownership stake in the Company, so as to align their interests with the shareholders.

15. Share Capital (continued)**Share Plans of a Subsidiary Company**

- (a) K-REIT Asia Management Limited (“KRAM”), a wholly-owned subsidiary company of the Group, implemented a Restricted Unit Plan (“KRAM RUP”) and a Performance Unit Plan (“KRAM PUP”) (collectively the “unit plans”) for its key senior management and employees. The KRAM RUP and KRAM PUP were approved and administered by the Nominating and Remuneration Committee of KRAM.
- (b) KRAM is the manager of K-REIT Asia. The awards granted by KRAM will be settled in K-REIT Asia units. Details of the KRAM RUP and KRAM PUP are as follows:

	KRAM RUP	KRAM PUP
Plan description	Award of fully-paid units of K-REIT Asia (“units”), conditional on achievement of pre-determined targets at the end of a one-year performance period	Award of fully-paid units of K-REIT Asia (“units”), conditional on achievement of pre-determined targets over a three-year performance period
Performance conditions	Distributable income	(a) Growth in assets under management (b) Absolute total shareholder’s return (c) Relative total shareholder’s return to FTSE ST REIT (“FSTREI”) Index
Final award	0% or 100% of the contingent award granted, depending on achievement of pre-determined targets	0% to 150% of the contingent award granted, depending on achievement of pre-determined targets
Vesting condition and schedule	If pre-determined targets are achieved, awards will vest equally over three years subject to fulfillment of service requirements	If pre-determined targets are achieved, awards will vest at the end of the three-year performance period subject to fulfillment of service requirements

- (c) Movements in the number of units under KRAM RUP and KRAM PUP are as follows:

	2011		2010	
	RUP	PUP	RUP	PUP
At 1 January	70,500	108,000	-	-
Contingent awards granted	121,500	192,000	70,500	108,000
Vested	(23,500)	-	-	-
At 31 December	168,500	300,000	70,500	108,000

Under KRAM RUP, there were 47,000 (2010: Nil) restricted units that were released but not vested as well as a contingent award of 121,500 (2010: 70,500) restricted units that were granted but not released as at 31 December 2011. Depending on the achievement of pre-determined performance targets, the actual number of restricted units to be released can be zero or 100% of the contingent award granted.

Under KRAM PUP, there were contingent awards of 300,000 (2010: 108,000) performance units that were granted but not released as at 31 December 2011. Depending on the achievement of pre-determined performance targets, the actual number of performance units to be released can range from zero to 150% of the contingent awards granted.

- (d) Subsequent to the end of the financial year, the number of units under KRAM RUP and KRAM PUP has been adjusted for the effects of K-REIT Asia's rights issue in 2011 as well as K-REIT Asia's capital distribution announced on 17 January 2012. As at the date of this report, the number of restricted units that were released but not vested under KRAM RUP has been adjusted from 47,000 to 51,015, and the contingent award granted under KRAM RUP has been adjusted from 121,500 to 131,880. The contingent awards granted under KRAM PUP have been adjusted from 300,000 to 325,638.
- (e) On 30 June 2011, KRAM granted contingent awards of 121,500 units under KRAM RUP and 192,000 units under KRAM PUP. The estimated fair values of the units granted under KRAM RUP range from \$1.25 to \$1.32. The estimated fair value of the units granted under KRAM PUP is \$0.78. The fair values of the contingent awards are determined at the grant date using Monte Carlo simulation method which involves projection of future outcomes using statistical distributions of key random variables including share price and volatility. The significant inputs into the model are as follows:

	2011		2010	
	RUP	PUP	RUP	PUP
Date of grant	30.06.11	30.06.11	30.12.10	30.12.10
Prevailing unit price at date of grant	\$1.33	\$1.33	\$1.41	\$1.41
Expected volatility				
K-REIT Asia	39.96%	39.96%	45.61%	45.61%
FSTREI Index	-	32.21%	-	34.42%
Correlation with FSTREI Index	-	87.00%	-	83.30%
Expected term	0.5 - 2.5 years	2.5 years	0 - 2 years	2 years
Risk free rate	0.43% - 0.54%	0.54%	0.38% - 0.72%	0.72%
Expected dividend yield	*	*	*	*

* The expected dividend yield is based on management's forecast.

The expected volatilities are based on the historical volatilities of K-REIT Asia's unit price and the FSTREI Index price over the previous 36 months immediately preceding the grant date. The expected term used in the model is based on the grant date and the end of the performance period.

- (f) Senior managers of KRAM are required to hold a portion of the units released to them under a share ownership guideline which requires them to maintain a beneficial ownership stake in K-REIT Asia, so as to align their interests with the unitholders.

16. Reserves

	GROUP			COMPANY	
	2011 \$'000	2010 (Restated) \$'000	2009 (Restated) \$'000	2011 \$'000	2010 \$'000
Capital reserves:					
Equity components of convertible bonds	44,984	44,984	32,934	44,984	44,984
Share option and share plan reserves	16,698	13,521	10,422	16,698	13,521
Available-for-sale asset reserves	20,721	20,368	18,128	4,825	3,713
Gain on disposal of interest in a subsidiary company without loss of control	12,932	-	-	-	-
Net premium paid on acquisition of non-controlling interests	(19,765)	(61,395)	(21,364)	-	-
Others	(5,253)	5,863	10,100	-	-
	70,317	23,341	50,220	66,507	62,218
Foreign currency translation account	(49,041)	(67,531)	(12,718)	-	-
Revenue reserves	3,178,063	2,111,847	1,171,063	1,503,019	897,939
	3,199,339	2,067,657	1,208,565	1,569,526	960,157

The equity components of convertible bonds represent the residual amounts of the convertible bonds after deducting the fair values of the liability components. These amounts are presented net of deferred tax liabilities.

The share option and share plan reserves represent the cumulative value of employee services received for the issue of share options and shares under the share plans.

The available-for-sale asset reserves represent the cumulative net change in fair value of available-for-sale financial assets until they are derecognised.

The gain on disposal of interest in a subsidiary company without loss of control represents the difference between the consideration received and the book value of the interest disposed of which did not result in a loss of control. The details of the disposal are disclosed in Note 22.

The net premium paid on acquisition of non-controlling interests represents the difference between the consideration paid and the book value of the share of net assets acquired from the non-controlling interests.

Others comprise mainly statutory reserve, capital redemption reserve and share of an associated company's cash flow hedge loss.

The foreign currency translation account represents the exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency as well as the translation of monetary items that forms part of the Group's net investment in foreign operations.

Movements in the Group's and the Company's reserves are set out in the statements of changes in equity.

17. Long-term Borrowings

	GROUP		COMPANY	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Borrowings under MTN Programme	330,000	380,000	330,000	380,000
Liability components of convertible bonds	772,109	478,436	772,109	478,436
Bank borrowings:				
Secured	452,750	748,230	-	-
Unsecured	556,449	490,743	463,264	440,000
	1,009,199	1,238,973	463,264	440,000
Unsecured loans from related companies	224,892	102,260	-	-
	2,336,200	2,199,669	1,565,373	1,298,436

The Company has a US\$800 million Multicurrency Medium Term Note ("MTN") Programme under which it can issue notes ("the Notes") in series or tranches and may be denominated in Singapore dollars, United States dollars or other currency deemed appropriate at the time.

The Notes are unsecured and comprise fixed rate notes of \$75,000,000, \$155,000,000 and \$100,000,000 due in 2013, 2015 and 2017 respectively with interest rates ranging from 2.67% to 3.51% (2010: 2.67% to 4.25%) per annum.

The Group's secured bank borrowings are repriced within 1 to 6 months (2010: 1 to 12 months). They are repayable between 2 to 5 years (2010: 2 to 4 years) and generally secured by:

- mortgages on the borrowing subsidiary companies' investment properties (see Note 19) and properties held for sale (see Note 25); and
- assignment of all rights, titles and benefits with respect to some of the properties mortgaged.

Loans from related companies have no fixed terms of repayment and are not expected to be repaid over the next 12 months; and are repriced daily, or within 9 months (2010: daily, or within 12 months).

Convertible Bonds

The Company has the following convertible bonds which remained outstanding as at 31 December 2011:

- On 23 June 2006, the Company issued a \$300,000,000 2.50%, 7-year convertible bond ("2006 Bond"). Interest is payable semi-annually. The 2006 Bond maturing on 23 June 2013 was initially convertible at the option of bondholders to ordinary shares of the Company at the conversion price of \$6.55 per share. As a result of the Company's rights issue in 2009, an adjustment was made to the conversion price based on the formulae provided in the Offering Circular dated 19 June 2006. The adjusted conversion price with effect from 12 June 2009 is \$5.58 per share. The adjustment to the conversion price also resulted in an adjustment to the number of ordinary shares that may be issued pursuant to the conversion of the bond from 45,801,526 new shares to 53,763,440 new shares.

Any bondholder may request that the Company redeems all or some of the 2006 Bond on 23 June 2011 or in the event that the Company's shares cease to be listed or admitted to trading on the Singapore Exchange Securities Trading Limited. As the 2006 Bond may be redeemed at the option of the bondholders on 23 June 2011, it was reclassified to short-term borrowings in 2010. As no bondholder exercised the option on 23 June 2011, the 2006 Bond has been reclassified to long-term borrowings during the year (see Note 31).

17. Long-term Borrowings (continued)

Convertible Bonds (continued)

- (b) On 29 November 2010, the Company issued a \$500,000,000 1.875%, 5-year convertible bond ("2010 Bond"). Interest is payable semi-annually. The 2010 Bond maturing 29 November 2015 is convertible at the option of bondholders to ordinary shares of the Company at the conversion price of \$6.72 per share. The 2010 Bond may be redeemed, in whole or in part, at the option of the Company at any time on or after 29 November 2013 subject to the satisfaction of certain conditions. Any bondholder may request that the Company redeems all of the 2010 Bond in the event that the Company's shares cease to be listed or admitted to trading on the Singapore Exchange Securities Trading Limited.

The liability components of the convertible bonds are recognised on the balance sheet as follows:

	GROUP AND COMPANY	
	2011	2010
	\$'000	\$'000
(a) 2006 Bond:		
At 1 January	-	275,925
Reclassification from/(to) short-term borrowings (see Note 31)	285,609	(275,925)
	285,609	-
Interest expense (see Note 7)	7,577	-
Interest paid/accrued	(3,760)	-
At 31 December	289,426	-
(b) 2010 Bond:		
At 1 January	478,436	-
Face value of 2010 Bond	-	500,000
Equity component, net of deferred tax liability	-	(12,050)
Deferred tax liability	-	(2,468)
Bond issue expenses	-	(7,400)
Liability component on initial recognition	-	478,082
Interest expense (see Note 7)	13,622	1,135
Interest paid/accrued	(9,375)	(781)
At 31 December	482,683	478,436
	772,109	478,436

Interest expenses on the 2006 Bond and the 2010 Bond are calculated based on the effective interest method by applying the interest rates of 4.78% (2010: 4.78%) and 2.50% (2010: 2.50%) per annum respectively for equivalent non-convertible bonds to the liability components of the convertible bonds.

Interest rates (per annum) on the Group's borrowings, except for borrowings under the MTN Programme and convertible bonds, are as follows:

	2011		2010	
	Lowest %	Highest %	Lowest %	Highest %
Secured bank borrowings denominated in:				
Singapore dollar	0.67	1.37	0.62	2.34
Indonesian rupiah	9.63	9.93	9.75	11.75
Renminbi	7.04	7.59	-	-
Thai baht	-	-	6.25	6.38
Unsecured bank borrowings denominated in:				
Singapore dollar	0.82	2.54	0.85	2.54
United States dollar	1.38	5.99	3.50	4.30
Vietnamese dong	13.95	23.30	13.00	15.50
Indonesian rupiah	9.18	9.28	9.18	9.18
Unsecured loans from related companies denominated in:				
Singapore dollar	1.23	1.28	0.96	1.42
United States dollar	0.98	4.20	0.85	4.20
Hong Kong dollar	0.70	1.15	0.48	1.00

Long-term borrowings are denominated in the following currencies:

	GROUP		COMPANY	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Singapore dollar	1,840,709	2,020,551	1,442,109	1,298,436
United States dollar	390,276	87,628	123,264	-
Vietnamese dong	10,870	27,052	-	-
Indonesian rupiah	39,793	37,031	-	-
Renminbi	33,764	-	-	-
Hong Kong dollar	20,788	18,432	-	-
Thai baht	-	8,975	-	-
	2,336,200	2,199,669	1,565,373	1,298,436

Loans due after 1 year are to be repayable as follows:

	GROUP		COMPANY	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
After 1 but within 2 years	921,085	597,739	504,426	150,000
After 2 but within 5 years	1,315,115	1,501,930	960,947	1,048,436
After 5 years	100,000	100,000	100,000	100,000
	2,336,200	2,199,669	1,565,373	1,298,436

Included in loans payable after 1 year but within 2 years are unsecured loans of \$224,892,000 (2010: \$102,260,000) due to related companies by the Group.

18. Fixed Assets

	Freehold Land and Building \$'000	Long Leasehold Land and Buildings \$'000	Machinery, Equipment and Vehicles \$'000	Assets under Construction \$'000	Total \$'000
GROUP					
Cost					
At 1 January 2011	156	280,066	126,037	53,846	460,105
Additions	-	3,224	6,371	3,601	13,196
Disposals	-	-	(2,138)	-	(2,138)
Companies disposed	-	-	(8,195)	-	(8,195)
Cost adjustment	-	8	(132)	(694)	(818)
Transfer from properties held for sale	-	13,559	-	-	13,559
Reclassification	-	8,321	122	(8,443)	-
Exchange differences on consolidation	-	(3,942)	(1,844)	(748)	(6,534)
At 31 December 2011	<u>156</u>	<u>301,236</u>	<u>120,221</u>	<u>47,562</u>	<u>469,175</u>
Accumulated Depreciation and Impairment					
At 1 January 2011	113	140,699	112,698	-	253,510
Depreciation charge	5	4,377	4,400	-	8,782
Impairment (see Note 11)	-	16,900	-	-	16,900
Disposals	-	-	(1,972)	-	(1,972)
Companies disposed	-	-	(8,056)	-	(8,056)
Cost adjustment	-	-	241	-	241
Reclassification	-	(52)	52	-	-
Exchange differences on consolidation	-	(2,219)	(1,744)	-	(3,963)
At 31 December 2011	<u>118</u>	<u>159,705</u>	<u>105,619</u>	<u>-</u>	<u>265,442</u>
Net Carrying Amount	<u>38</u>	<u>141,531</u>	<u>14,602</u>	<u>47,562</u>	<u>203,733</u>
Cost					
At 1 January 2010	156	292,549	125,370	54,404	472,479
Additions	-	2,209	5,012	2,073	9,294
Disposals	-	-	(721)	-	(721)
Cost adjustment	-	-	54	-	54
Reclassification	-	(1,164)	1,164	-	-
Exchange differences on consolidation	-	(13,528)	(4,842)	(2,631)	(21,001)
At 31 December 2010	<u>156</u>	<u>280,066</u>	<u>126,037</u>	<u>53,846</u>	<u>460,105</u>
Accumulated Depreciation and Impairment					
At 1 January 2010	109	131,332	113,200	-	244,641
Depreciation charge	4	4,650	4,353	-	9,007
Impairment (see Note 11)	-	11,619	-	-	11,619
Disposals	-	-	(663)	-	(663)
Cost adjustment	-	-	232	-	232
Reclassification	-	(202)	202	-	-
Exchange differences on consolidation	-	(6,700)	(4,626)	-	(11,326)
At 31 December 2010	<u>113</u>	<u>140,699</u>	<u>112,698</u>	<u>-</u>	<u>253,510</u>
Net Carrying Amount	<u>43</u>	<u>139,367</u>	<u>13,339</u>	<u>53,846</u>	<u>206,595</u>

	Freehold Land and Building \$'000
COMPANY	
Cost	
At 1 January 2011 and 31 December 2011	<u>156</u>
Accumulated Depreciation	
At 1 January 2011	114
Depreciation charge	<u>4</u>
At 31 December 2011	<u>118</u>
Net Carrying Amount	<u>38</u>
Cost	
At 1 January 2010 and 31 December 2010	<u>156</u>
Accumulated Depreciation	
At 1 January 2010	109
Depreciation charge	<u>5</u>
At 31 December 2010	<u>114</u>
Net Carrying Amount	<u>42</u>

19. Investment Properties

	Completed Investment Properties \$'000	Investment Properties under Construction/ Redevelopment \$'000	Total \$'000
GROUP			
Valuation			
At 1 January 2011	640,669	1,059,171	1,699,840
Development expenditure	946	118,791	119,737
Fair value gain	42,129	-	42,129
Disposals	(12,210)	-	(12,210)
Companies disposed	(53,117)	(1,157,016)	(1,210,133)
Reclassification	4,735	(4,735)	-
Exchange differences on consolidation	(5,075)	(237)	(5,312)
At 31 December 2011	<u>618,077</u>	<u>15,974</u>	<u>634,051</u>
At 1 January 2010	618,092	786,900	1,404,992
Development expenditure	31,995	230,377	262,372
Fair value gain/(loss)	(5,977)	28,723	22,746
Disposals	(14,311)	-	(14,311)
Transfer from properties held for sale	31,633	-	31,633
Reclassification	(13,171)	13,171	-
Exchange differences on consolidation	(7,592)	-	(7,592)
At 31 December 2010	<u>640,669</u>	<u>1,059,171</u>	<u>1,699,840</u>

The Group's investment properties (including integral plant and machinery) are stated at Directors' valuation based on the following valuations (open market value basis) by independent firms of professional valuers as at 31 December 2011:

- (a) Colliers International Consultancy & Valuation (Singapore) Pte Ltd for properties in Singapore;
- (b) DTZ Debenham Tie Leung (Vietnam) Co. Ltd for properties in Vietnam; and
- (c) KJPP Wilson & Rekan (an affiliate of Knight Frank) for properties in Indonesia.

In determining fair values, the valuers have used valuation techniques which involve certain estimates. The key assumptions to determine the fair value of investment properties include market-corroborated capitalisation yield, terminal yield and discount rate. In relying on the valuation reports, management has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions.

The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and willing seller in arm's length transaction wherein the parties had each acted knowledgeably and without compulsion.

In determining the fair values for the completed investment properties, the valuers have considered valuation techniques including direct comparison method, investment method and/or discounted cash flow method. In determining the fair values for investment properties under construction/redevelopment, the valuers have considered the direct comparison method and/or residual value method to determine the fair value of the land, as well as the fair value of the work completed as at the balance sheet date.

The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The investment method capitalises an income stream into a present value using appropriate market capitalisation rates. The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value.

Based on these valuations, the Group's share of fair value gain (after adjusting for deferred tax and non-controlling interests) amounted to \$24,866,000 (2010: \$12,824,000) and was taken to the profit and loss account in accordance with FRS 40.

The valuations of completed investment properties are generally sensitive to changes in yield and rental rates. The valuations of investment properties under construction/redevelopment are generally sensitive to changes in construction costs and interest rates.

Properties amounting to \$366,300,000 (2010: \$1,361,900,000) in value and included in the above balances were mortgaged to banks as securities for borrowings referred to in Note 17.

Interest capitalised during the year was \$551,000 (2010: \$1,968,000).

20. Amounts Owing by Associated Companies

	GROUP	
	2011	2010
	\$'000	\$'000
Amounts owing by associated companies	542,587	446,161

The amounts owing by associated companies are unsecured advances which have no fixed terms of repayment and are not expected to be repaid in the next 12 months. These advances bear interest at rates ranging from 0.78% to 1.27% (2010: 1.18% to 1.50%) per annum and are denominated in Singapore dollars.

21. Other Non-current Asset

	GROUP	
	2011	2010
	\$'000	\$'000
Other non-current asset	103,900	-

Other non-current asset relates to the call option granted to the Group in connection with the disposal of its 87.51% equity interest in Ocean Properties Pte. Limited to K-REIT Asia. The details of the disposal are disclosed in Note 22.

The fair value of the call option is determined by reference to the difference in valuations obtained from an independent professional valuer for the underlying investment property based on the remaining 850-year leasehold and 99-year leasehold.

In determining the valuations of the underlying investment property, the valuer has considered valuation techniques including direct comparison method, investment method and/or discounted cash flow method. The valuation is generally sensitive to change in yield and rental rates, and is based on various assumptions including discount rate, rental growth and terminal value.

22. Subsidiary Companies

	COMPANY	
	2011	2010
	\$'000	\$'000
Quoted shares, at cost		
(Market value: \$13,532,000; 2010: \$15,973,000)	49,862	49,862
Unquoted shares, at cost	1,604,863	1,557,662
	1,654,725	1,607,524
Impairment	(336,458)	(334,529)
	1,318,267	1,272,995

During the year, allowance for impairment loss amounting to \$10,787,000 (2010: \$63,205,000) was made in respect of the Company's investments in certain subsidiary companies to reduce the carrying value of investments to the recoverable amounts, taking into account the financial conditions of the subsidiary companies. In addition, there was reversal of impairment of \$8,858,000 (2010: \$2,000) in relation to subsidiary companies which were transferred to another subsidiary company.

The details of the significant subsidiary companies are disclosed in Note 41.

Disposal of Interest in a Subsidiary Company without Loss of Control

On 10 March 2011, the Group disposed of its 49% interest in a wholly-owned subsidiary company, Alverno Investments Limited, to PVPF 6 Limited, a wholly-owned subsidiary company of PRUPIM Vietnam Property Fund Limited for a consideration of \$24,991,000. The consideration was derived based on proportionate rights to projected proceeds for certain phases of a project in Ho Chi Minh City. The difference between the consideration received and the book value of the interest disposed of amounting to \$12,932,000 is reflected in equity as a gain on disposal of interest in a subsidiary company without loss of control.

Disposal of Subsidiary Companies

On 25 January 2011, the Group and Keppel Telecommunications & Transportation Ltd ("KT&T") announced the formation of Keppel Data Centres Holding Pte Ltd ("Keppel Data Centres") to consolidate the data centre assets and position the business for further growth. In addition, the Group disposed of its interest in a wholly-owned subsidiary company, Keppel Digihub Ltd, for a consideration of \$18,990,000 to Keppel Data Centres in which the Group holds a 30% interest, giving rise to a gain of \$24,418,000 for the Group. At the same time, Keppel Data Centres also acquired Keppel Datahub Pte Ltd from KT&T Group for a consideration of \$8,965,000.

In addition to the initial committed capital of \$9,000,000 (comprising investment of \$3,000,000 and loan of \$6,000,000), the Group extended additional loan of \$31,539,000 (including interest payable for the full four-year period) to Keppel Data Centres in 2011.

On 14 December 2011, the Group disposed of its 87.51% equity interest in Ocean Properties Pte. Limited to K-REIT Asia for a consideration of \$1,579,242,000 under a share purchase agreement. The Group has been granted a call option to acquire the same shares exercisable at the price of \$1 upon the expiry of 99 years from 14 December 2011 under this agreement. The call option may be exercised earlier upon the occurrence of certain specified events as stipulated in the call option deed. The call option granted to the Group is carried at fair value on the balance sheet as other non-current asset (see Note 21).

The fair values of the net assets of subsidiary companies disposed of were as follows:

	\$'000
Investment properties	1,210,133
Fixed assets	139
Debtors	10,644
Cash and cash equivalents	20,467
Bank borrowings	(410,222)
Creditors	(116,137)
Amounts due to related companies	(68,424)
Deferred taxation	(60,076)
Tax provision	464
Non-controlling interest deconsolidated	(76,659)
Net assets disposed	<u>510,329</u>
Sales consideration	1,598,232
Less: cash and cash equivalents disposed	<u>(20,467)</u>
Net cash inflow on disposal	<u>1,577,765</u>

23. Associated Companies

	GROUP			COMPANY	
	2011 \$'000	2010 (Restated) \$'000	2009 (Restated) \$'000	2011 \$'000	2010 \$'000
Investment, at cost	1,678,488	1,148,128	1,086,048	88,355	120,201
Share of post-acquisition reserves	314,206	180,439	238,097	-	-
Investment in associated companies	1,992,694	1,328,567	1,324,145	88,355	120,201
Impairment	-	-	-	(18,340)	(18,340)
	1,992,694	1,328,567	1,324,145	70,015	101,861
Investment in associated companies is represented by:					
Quoted shares					
(Market value: \$993,900,000; 2010: \$882,858,000)	1,271,130	774,977	748,431	-	-
Unquoted shares	721,564	553,590	575,714	88,355	120,201
	1,992,694	1,328,567	1,324,145	88,355	120,201

The details of the significant associated companies are disclosed in Note 41.

The Group's share of net profit of associated companies is as follows:

	2011 \$'000	2010 (Restated) \$'000
Share of pre-tax profit before fair value gain on investment properties/impairment	174,960	196,868
Share of fair value gain on investment properties/impairment	196,868	414,683
Share of pre-tax profit	371,828	611,551
Share of taxation (see Note 12)	(68,022)	(52,380)
Share of net profit	303,806	559,171

The summarised financial information of the associated companies on a 100% basis is as follows:

	2011 \$'000	2010 (Restated) \$'000
Total assets	12,974,044	8,680,226
Total liabilities	(7,409,588)	(5,005,323)
Revenue for the year	1,315,128	1,705,729
Profit for the year	799,730	1,406,624

24. Long-term Investments

	GROUP		COMPANY	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Quoted shares in corporations	54	68	-	-
Unquoted shares in corporations	8,395	7,283	8,366	7,254
Private property fund	117,314	103,987	-	-
	125,763	111,338	8,366	7,254

25. Properties Held for Sale

	GROUP		
	2011 \$'000	2010 (Restated) \$'000	2009 (Restated) \$'000
(a) Properties under development:			
Land cost	2,745,216	1,818,280	776,167
Development cost incurred to-date	819,778	671,127	566,031
Overhead expenditure and recognised profit	221,864	137,369	96,296
Progress billings received and receivable	(650,932)	(638,179)	(513,217)
Allowance for foreseeable losses	(26,158)	(30,541)	(36,559)
	3,109,768	1,958,056	888,718
<u>Analysis of allowance for foreseeable losses:</u>			
At 1 January	(30,541)	(36,559)	(64,079)
Transfer to completed properties held for sale (Allowance)/write-back of allowance	-	-	12,539
Allowance utilised	(8,132)	2,600	5,028
Exchange differences on consolidation	12,697	3,418	9,953
At 31 December	(26,158)	(30,541)	(36,559)
(b) Completed properties held for sale	46,739	25,558	153,599
Allowance for foreseeable losses	(7,858)	(6,406)	(11,642)
	38,881	19,152	141,957
<u>Analysis of allowance for foreseeable losses:</u>			
At 1 January	(6,406)	(11,642)	(8,108)
Transfer from properties under development (Allowance)/write-back of allowance	-	-	(12,539)
Allowance utilised	(2,985)	1,272	8,209
Exchange differences on consolidation	1,574	3,960	786
At 31 December	(41)	4	10
	(7,858)	(6,406)	(11,642)
	3,148,649	1,977,208	1,030,675

25. Properties Held for Sale (continued)

The following table provides information about agreements that are in progress at the reporting date whose revenue are recognised on a percentage of completion basis:

	GROUP		
	2011	2010	2009
	\$'000	(Restated) \$'000	(Restated) \$'000
Aggregate amount of costs incurred and recognised profit (less recognised losses) to date	1,442,860	1,002,705	73,355
Less: Progress billings	(264,297)	(76,905)	(32,033)
	1,178,563	925,800	41,322

Interest capitalised during the year was \$47,975,000 (2010: \$16,368,000) at rates ranging from 0.67% to 2.50% (2010: 1.00% to 2.50%) per annum for Singapore properties and 2.04% to 23.30% (2010: 2.88% to 15.50%) per annum for overseas properties.

The allowance for foreseeable losses is estimated taking into account estimated selling prices and estimated total construction costs. The estimated selling prices are based on recent selling prices for the development project or comparable projects and the prevailing market conditions. The estimated total construction costs include contracted amounts plus estimated costs to be incurred based on historical trends. The allowance is progressively reversed for those residential units sold above their carrying amounts.

Properties amounting to \$778,508,000 (2010: \$444,705,000) in value and included in the above balances were mortgaged to banks as securities for borrowings as referred to in Notes 17 and 31.

26. Stocks

	GROUP	
	2011	2010
	\$'000	\$'000
Spare parts and consumable stocks	3,725	3,265

27. Debtors

	GROUP		COMPANY	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
(a) Trade debtors	71,320	89,737	-	-
Allowance for doubtful debts	(268)	(832)	-	-
	71,052	88,905	-	-
(b) Other debtors:				
Deposits paid	5,176	4,490	-	-
Land tender deposits	38,020	140,021	-	-
Advance payments for properties acquisitions	323,423	241,796	-	-
Interest receivable	11,020	10,707	-	-
Advances to corporations in which the Group has equity interests	249	250	-	-
Advances to non-controlling shareholders of certain subsidiary companies	104,474	44,759	-	-
Derivative financial instruments	-	4,701	-	-
Other debtors	29,198	25,536	-	-
Other recoverable amounts	39,803	31,552	184	177
	551,363	503,812	184	177
Allowance for doubtful debts	(23,871)	(23,899)	-	-
	527,492	479,913	184	177
(c) Non-financial assets:				
Prepaid project costs and prepayments	24,051	17,935	3,983	4,651
	622,595	586,753	4,167	4,828
<u>Trade debtors that are past due but not impaired:</u>				
Past due < 3 months and not impaired	11,579	23,661	-	-
Past due 3 - 6 months and not impaired	10,281	2,713	-	-
Past due > 6 months and not impaired	13,298	15,211	-	-
	35,158	41,585	-	-
<u>Analysis of allowance for doubtful debts - Trade:</u>				
At 1 January	(832)	(837)	-	-
Write-back of allowance/(allowance)	462	(4)	-	-
Write-off against allowance	10	7	-	-
Companies disposed	92	-	-	-
Exchange differences on consolidation	-	2	-	-
At 31 December	(268)	(832)	-	-
<u>Analysis of allowance for doubtful debts - Non-trade:</u>				
At 1 January	(23,899)	(23,660)	-	-
Write-back of allowance/(allowance)	24	(405)	-	-
Exchange differences on consolidation	4	166	-	-
At 31 December	(23,871)	(23,899)	-	-

27. Debtors (continued)

Advances to corporations in which the Group has equity interests are unsecured, have no fixed terms of repayment and are interest-free. These advances represent mainly the Group's interest in the underlying property development projects undertaken by a Singapore corporation.

Advances to non-controlling shareholders of certain subsidiary companies are unsecured and have no fixed terms of repayment. Interest-bearing advance of \$3,579,000 (2010: Nil) is charged at rate of 14.00% (2010: Nil) per annum.

Debtors are denominated in the following currencies:

	GROUP		COMPANY	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Singapore dollar	49,683	50,126	4,167	4,828
Renminbi	385,474	326,597	-	-
United States dollar	30,251	144,614	-	-
Vietnamese dong	107,922	30,101	-	-
Indonesian rupiah	7,647	8,751	-	-
Indian rupee	5,387	6,544	-	-
Philippines peso	2,225	2,255	-	-
Thai baht	1,837	2,652	-	-
Hong Kong dollar	30,889	14,108	-	-
Others	1,280	1,005	-	-
	622,595	586,753	4,167	4,828

28. Amounts Owning by/to Holding Company and Related Parties

	GROUP		COMPANY	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Advances owing by:				
Subsidiary companies	-	-	5,593,402	3,299,158
Associated companies	149,721	126,801	2,907	2,907
Related companies	8,239	8,468	3,756	4,000
	157,960	135,269	5,600,065	3,306,065
Advances owing to:				
Subsidiary companies	-	-	1,430,796	5,240
Associated companies	5,437	2,844	-	-
Current accounts owing to holding company and related companies	869	323	-	-
	6,306	3,167	1,430,796	5,240

Advances owing by/to subsidiary companies are non-trade related, unsecured and have no fixed terms of repayment. Interest-bearing advances of \$3,625,977,000 (2010: \$2,722,524,000) to subsidiary companies are charged at rates ranging from 0.10% to 4.78% (2010: 0.10% to 4.78%) per annum.

Advances owing by/to associated companies are non-trade related, unsecured and have no fixed terms of repayment. Interest-bearing advances of \$47,997,000 (2010: \$11,662,000) to associated companies are charged at 1.22% to 10.70% (2010: 5.00%) per annum. Interest-bearing advances of \$3,636,000 (2010: \$1,518,000) from associated companies are charged at rates ranging from 0.19% to 0.44% (2010: 0.18% to 0.45%) per annum.

Advances owing by subsidiary companies are denominated in the following currencies:

	COMPANY	
	2011 \$'000	2010 \$'000
Singapore dollar	5,258,600	3,290,472
United States dollar	279,756	11
Hong Kong dollar	46,774	-
Philippines peso	8,272	8,675
	5,593,402	3,299,158

28. Amounts Owning by/to Holding Company and Related Parties (continued)

Advances owing to subsidiary companies are denominated in the following currencies:

	COMPANY	
	2011 \$'000	2010 \$'000
Singapore dollar	1,430,796	4,947
Hong Kong dollar	-	293
	1,430,796	5,240

Advances owing by associated companies are denominated in the following currencies:

	GROUP		COMPANY	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Singapore dollar	89,690	56,283	2,907	2,907
United States dollar	50,791	52,205	-	-
Philippines peso	6,654	6,651	-	-
Vietnamese dong	2,586	-	-	-
Renminbi	-	11,662	-	-
	149,721	126,801	2,907	2,907

Advances owing to associated companies are denominated in the following currencies:

	GROUP	
	2011 \$'000	2010 \$'000
Singapore dollar	5,437	2,844

Advances owing by related companies are interest-free, unsecured, have no fixed terms of repayment and are denominated in the following currencies:

	GROUP		COMPANY	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Singapore dollar	6,997	6,974	2,514	2,506
United States dollar	1,242	1,494	1,242	1,494
	8,239	8,468	3,756	4,000

Current accounts owing to holding company and related companies are interest-free, unsecured, have no fixed terms of repayment and are largely denominated in Singapore dollar of \$302,000 (2010: \$145,000) and United States dollar of \$450,000 (2010: \$142,000).

29. Cash and Cash Equivalents

	GROUP		COMPANY	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Fixed deposits with banks	688,446	480,411	-	-
Bank balances and cash	220,819	176,055	429	336
Deposits with related companies	1,032,672	932,580	-	18
	1,941,937	1,589,046	429	354

Cash and cash equivalents are denominated in the following currencies:

	GROUP		COMPANY	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Singapore dollar	1,282,860	1,021,976	389	321
Renminbi	473,077	431,676	-	-
United States dollar	50,080	46,224	40	18
Indonesian rupiah	42,342	29,709	-	-
Vietnamese dong	41,910	26,496	-	-
Indian rupee	24,288	17,083	-	-
Saudi riyal	13,290	1,140	-	-
Philippines peso	9,121	9,766	-	-
Others	4,969	4,976	-	15
	1,941,937	1,589,046	429	354

Fixed deposits with banks and related companies mature in varying periods, substantially between 1 day to 3 months (2010: substantially between 1 day to 3 months) from the financial year-end. Fixed deposits with banks during the year bear interest at the following rates per annum:

	2011		2010	
	Lowest %	Highest %	Lowest %	Highest %
Singapore dollar	0.02	4.47	0.00	0.27
Renminbi	0.36	5.00	1.17	3.18
United States dollar	0.09	2.50	0.10	3.00
Indonesian rupiah	2.00	7.25	3.50	8.00
Vietnamese dong	5.00	18.65	4.50	14.00
Indian rupee	3.25	9.00	2.00	6.90
Saudi riyal	0.15	0.30	0.15	0.27
Philippines peso	2.25	4.00	2.75	3.75

Interest rates on deposits with related companies are disclosed in Note 6.

	GROUP	
	2011 \$'000	2010 \$'000
(a) Amounts held under project accounts, withdrawals from which are restricted to payments for expenditures incurred on projects	135,087	82,368
(b) Amounts held in escrow accounts for the acquisition of land overseas, payment of construction costs and progress billings received	23,635	24,141

30. Creditors

	GROUP		COMPANY	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Trade creditors	133,079	76,001	-	-
Loans from non-controlling shareholders of certain subsidiary companies	257,920	248,239	-	-
Rental and income support payable to an associated company	194,211	53,895	-	-
Accrual for staff costs	77,913	58,162	-	-
Retention monies	30,865	41,425	-	-
Deposits received	32,110	42,293	-	-
Interest payable	9,462	10,237	7,248	7,093
Derivative financial instruments	2,442	-	-	-
Accrual for development costs and other payables	313,415	363,945	42,839	43,884
	1,051,417	894,197	50,087	50,977

The loans from the non-controlling shareholders of certain subsidiary companies are unsecured and have no fixed terms of repayment. Interest-bearing loans from the non-controlling shareholders amounted to \$59,082,000 (2010: \$119,187,000) and interest is payable at rates ranging from 0.93% to 6.00% (2010: 1.13% to 6.00%) per annum.

Rental and income support payable to an associated company represents the remaining top-up payments to be made by the Group to K-REIT Asia in respect of the disposal of the Group's interests in two associated companies and a subsidiary company to K-REIT Asia.

Creditors are denominated in the following currencies:

	GROUP		COMPANY	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Singapore dollar	621,898	519,906	50,087	50,977
Renminbi	218,683	157,853	-	-
United States dollar	59,445	65,784	-	-
Vietnamese dong	20,807	21,313	-	-
Indonesian rupiah	14,293	19,462	-	-
Indian rupee	15,352	16,146	-	-
Saudi riyal	89,214	88,027	-	-
Others	11,725	5,706	-	-
	1,051,417	894,197	50,087	50,977

31. Short-term Borrowings

	GROUP		COMPANY	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Unsecured borrowings under MTN Programme	50,000	20,000	50,000	20,000
Liability component of convertible bond	-	282,536	-	282,536
Bank borrowings:				
Secured	19,423	13,513	-	-
Unsecured	131,737	722	100,000	-
	151,160	14,235	100,000	-
Unsecured loans from related company	53	21	-	-
	201,213	316,792	150,000	302,536

Unsecured borrowings under the MTN Programme comprise fixed rate notes with interest at 4.25% (2010: 3.76%) per annum.

Secured bank borrowings are generally secured by:

- mortgage on the borrowing subsidiary companies' properties held for sale (see Note 25); and
- assignment of all rights, titles and benefits with respect to some of the properties mortgaged.

Unsecured bank borrowings are repriced within 2 months to 6 months (2010: within 2 weeks to 3 months).

Convertible Bond

The liability component of the convertible bond issued in 2006 ("2006 Bond") is recognised on the balance sheet as follows:

	GROUP AND COMPANY	
	2011 \$'000	2010 \$'000
At 1 January	282,536	-
Reclassification (to)/from long-term borrowings (see Note 17)	(285,609)	275,925
Interest expense (see Note 7)	6,813	14,111
Interest paid	(3,740)	(7,500)
At 31 December	-	282,536

As the 2006 Bond may be redeemed at the option of the bondholders on 23 June 2011, it was reclassified to short-term borrowings in 2010. As no bondholder exercised the option on 23 June 2011, the 2006 Bond has been reclassified to long-term borrowings during the year. Details of the 2006 Bond are shown in Note 17.

31. Short-term Borrowings (continued)

Interest rates (per annum) on the Group's borrowings, except for borrowings under the MTN Programme and convertible bond, are as follows:

	Lowest %	2011 Highest %	Lowest %	2010 Highest %
Secured bank borrowings denominated in:				
Indonesian rupiah	9.63	9.93	9.75	11.75
Thai baht	6.50	7.63	-	-
Unsecured bank borrowings denominated in:				
Singapore dollar	1.48	1.69	-	-
Thai baht	4.30	4.81	-	-
Indian rupee	-	-	10.20	12.70

Short-term borrowings are denominated in the following currencies:

	GROUP		COMPANY	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Singapore dollar	150,053	302,557	150,000	302,536
Thai baht	36,747	-	-	-
Indonesian rupiah	14,413	13,513	-	-
Indian rupee	-	722	-	-
	201,213	316,792	150,000	302,536

32. Segment Reporting

For management purposes, the Group is organised into strategic business units based on their products, services and geography. The Group has four reportable operating segments as follows:

- (a) Property trading
 - Develops residential properties and townships in Asia, primarily Singapore, China, Vietnam, India and Indonesia.
- (b) Property investment
 - Owns/manages office and other commercial properties in Asia, primarily Singapore, Vietnam and Indonesia.
- (c) Fund management
 - Involves in property investment and fund management in Asia.
- (d) Hotels and resorts, property services and others
 - Is the aggregate of the hotels and resorts operating segment, the property services operating segment and others.

Management monitors the results of each of the above operating segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on net profit or loss.

Information regarding the Group's reportable segments is presented below.

2011	Property Trading \$'000	Property Investment \$'000	Fund Management \$'000	Hotels and Resorts, Property Services, and Others \$'000	Inter-segment Elimination \$'000	Total \$'000
External sales	708,079	80,105	82,300	78,490	-	948,974
Results						
EBITDA ⁽¹⁾	128,566	49,853	54,956	(37,698)	-	195,677
Depreciation charge	(3,913)	(227)	(288)	(4,354)	-	(8,782)
Investment income	1,156	-	17,886	258	-	19,300
Net interest income/(expenses)	19,903	(2,544)	203	(22,211)	-	(4,649)
Share of results of associated companies	115,729	44,957	2,607	11,667	-	174,960
Gain on acquisition of additional interest in an associated company	-	-	-	3,629	-	3,629
Corporate restructuring surplus	-	508,085	-	-	-	508,085
Other gain	-	-	-	24,418	-	24,418
Pre-tax profit/(loss) before fair value gain on investment properties/impairment	261,441	600,124	75,364	(24,291)	-	912,638
Fair value gain on investment properties/impairment	-	613,068	-	(21,778)	-	591,290
Pre-tax profit/(loss) after fair value gain on investment properties/impairment	261,441	1,213,192	75,364	(46,069)	-	1,503,928
Taxation	(47,399)	(48,185)	(10,095)	(2,547)	-	(108,226)
Profit/(loss) for the year	214,042	1,165,007	65,269	(48,616)	-	1,395,702
Non-controlling interests	(15,580)	(23,924)	-	9,448	-	(30,056)
Net profit/(loss)	198,462	1,141,083	65,269	(39,168)	-	1,365,646
Other information						
Segment assets	5,490,213	2,179,047	154,427	4,593,755	(2,939,848)	9,477,594
Segment liabilities	(2,478,726)	(386,741)	(47,053)	(3,791,302)	2,939,848	(3,763,974)
Net assets	3,011,487	1,792,306	107,374	802,453	-	5,713,620
Investment in associated companies	552,469	1,397,005	1,836	41,384	-	1,992,694
Additions to non-current assets ⁽²⁾	44,560	612,282	177	6,549	-	663,568
Geographical information						
				Singapore \$'000	Other Countries \$'000	Total \$'000
External sales				407,532	541,442	948,974
Non-current assets ⁽³⁾				2,801,058	801,670	3,602,728

Notes:

- (1) EBITDA refers to profit before interest, taxation, depreciation charge and amortisation charge.
(2) Additions to non-current assets comprise investment in associated companies, purchase of fixed assets and expenditure on investment properties.
(3) Non-current assets comprise fixed assets, investment properties, amounts owing by associated companies, investments and other non-current asset.

Notes to the Financial Statements

32. Segment Reporting (continued)

2010 (Restated)	Property Trading \$'000	Property Investment \$'000	Fund Management \$'000	Hotels and Resorts, Property Services, and Others \$'000	Inter-segment Elimination \$'000	Total \$'000
External sales	472,718	70,200	68,723	73,767	-	685,408
Results						
EBITDA ⁽¹⁾	106,571	48,595	50,675	(742)	-	205,099
Depreciation charge	(3,624)	(292)	(184)	(4,907)	-	(9,007)
Investment income	5,020	-	-	405	-	5,425
Net interest income/(expenses)	7,767	(2,638)	266	(19,319)	-	(13,924)
Share of results of associated companies	152,512	33,102	1,398	9,856	-	196,868
Gain on acquisition of additional interest in an associated company	-	-	-	2,678	-	2,678
Corporate restructuring surplus	-	363,848	-	-	-	363,848
Pre-tax profit/(loss) before fair value gain on investment properties/impairment	268,246	442,615	52,155	(12,029)	-	750,987
Fair value gain on investment properties/impairment	-	442,650	-	(16,840)	-	425,810
Pre-tax profit/(loss) after fair value gain on investment properties/impairment	268,246	885,265	52,155	(28,869)	-	1,176,797
Taxation	(55,524)	(36,091)	(11,144)	(16,075)	-	(118,834)
Profit/(loss) for the year	212,722	849,174	41,011	(44,944)	-	1,057,963
Non-controlling interests	161	(13,751)	-	8,546	-	(5,044)
Net profit/(loss)	212,883	835,423	41,011	(36,398)	-	1,052,919
Other information						
Segment assets	4,011,979	2,660,454	133,962	3,401,488	(2,123,841)	8,084,042
Segment liabilities	(1,977,093)	(886,097)	(33,665)	(2,880,515)	2,123,841	(3,653,529)
Net assets	2,034,886	1,774,357	100,297	520,973	-	4,430,513
Investment in associated companies	383,672	894,953	2,794	47,148	-	1,328,567
Additions to non-current assets ⁽²⁾	77,687	260,667	1,083	31,829	-	371,266
Geographical information						
				Singapore \$'000	Other Countries \$'000	Total \$'000
External sales				172,387	513,021	685,408
Non-current assets ⁽³⁾				3,036,422	756,079	3,792,501

Notes:

- (1) EBITDA refers to profit before interest, taxation, depreciation charge and amortisation charge.
- (2) Additions to non-current assets comprise investment in associated companies, purchase of fixed assets and expenditure on investment properties.
- (3) Non-current assets comprise fixed assets, investment properties, amounts owing by associated companies, investments and other non-current asset.

33. Capital and Lease Commitments

	GROUP	
	2011 \$'000	2010 \$'000
(a) Estimated development costs for properties held for sale:		
(i) Contracted for	1,557,307	1,101,624
(ii) Not contracted for	1,442,782	1,645,176
	3,000,089	2,746,800
Non-controlling interests	(264,023)	(256,745)
	2,736,066	2,490,055
(b) Estimated funding in associated companies for project developments	540,827	1,040,175
(c) Capital expenditure contracted on investment properties	108,986	246,059
Non-controlling interests	(248)	(30,860)
	108,738	215,199
(d) Other capital expenditures	20,941	2,193
(e) Operating lease commitments are as follows: The Group has entered into commercial property leases on its properties. The future minimum rental income receivable under significant non-cancellable leases is as follows:		

	GROUP	
	2011 \$'000	2010 \$'000
Within 1 year	59,923	65,425
Between 1 to 5 years	66,000	78,869
After 5 years	48,923	49,912
	174,846	194,206

Generally, the Group's non-cancellable leases are for terms of 3 years (2010: 3 years).

34. Contingent Liabilities

	GROUP		COMPANY	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Unsecured guarantees given to financial institutions in connection with facilities given to:				
(a) Subsidiary companies	-	-	331,526	286,681
(b) Associated companies	6,889	7,260	1,684	1,949
(c) Certain end-purchasers of overseas residential properties	51,783	49,836	-	-
Non-controlling interests	(25,365)	(13,716)	-	-
	26,418	36,120	-	-

The financial effects of FRS 39 relating to financial guarantee contracts issued by the Group and the Company are not material to the financial statements and are, therefore not recognised.

No material losses under these guarantees are expected.

35. Significant Related Party Transactions

- (a) In addition to the related party transactions disclosed elsewhere in the financial statements, the Group entered into the following significant related party transactions with the holding company and related parties:

	With Holding Company and Related Companies 2011 \$'000	With Group's Associated Companies 2011 \$'000	With Holding Company and Related Companies 2010 \$'000	With Group's Associated Companies 2010 \$'000
Interest income	987	6,064	272	14,157
Interest expense:				
Charged to profit and loss account	114	-	119	-
Capitalised under development cost	1,416	-	2,225	-
Foreign exchange transactions	74,468	-	363,712	-
Management fees paid	4,923	-	5,237	-
Rental income	66	-	-	-
Rental expense	4,723	-	3,666	-
Project development and management fees received	2,056	645	1,734	1,292
Property management fees received	1,215	76	2,043	79
Marketing commission received	3,772	2,104	5,504	4,048
Management and support service fees received	8,971	171	7,144	451
Asset management fees received	47,130	-	35,879	-
Other products and service fees paid	1,352	-	1,181	-
Consideration for acquisition of a property	-	-	-	573,000
Consideration for disposal of interests in subsidiary companies	-	1,598,232	-	-
Aggregate consideration for disposal of interest in an associated company	-	-	-	1,399,221

- (b) Transactions entered into by the Group with the Temasek Group:

	2011 \$'000	2010 \$'000
Committed capital for formation of an associated company	14,400	-
Rental received	127	214
Consideration for disposal of interest in an associated company	-	5,698

- (c) Transactions entered into by the Group with the Directors of the Company are as follows:

	2011 \$'000	2010 \$'000
Consideration for the sales of units in Singapore and overseas residential development to Directors of the Company and/ or their immediate family members at prevailing prices applicable to third parties	1,429	1,209

The related party transactions in (a) and (b) above are entered into in the normal course of business based on terms agreed between the parties.

36. Financial Risk Management

The Group operates primarily in Singapore, China, Vietnam, India and Indonesia and is exposed to a variety of financial risks pertaining to changes in interest rates, fluctuations in currency exchange rates, credit and liquidity risks. The Group's overall risk management strategy seeks to minimise the adverse effects from the unpredictability of financial markets on the Group's profit. The Group uses financial instruments such as currency forwards, interest rate swaps, interest rate caps and foreign currency borrowings to hedge certain financial risk exposures whenever it is appropriate.

Assessment of financial risks is carried out regularly by management and reported to the Board Risk Committee, which will review and guide management on the Group's risk profile, risk identification, management of significant risks, risk mitigation strategies, and risk policies.

The risk management policies are summarised as follows:

(a) Interest Rate Risk

The Group's exposure to changes in interest rates is in respect of debt obligations and deposits with related companies and financial institutions.

The interest rate management policy is aimed at optimising net interest cost and reducing volatility. The Group borrows a mix of fixed and variable rate debts with varying tenors, and also uses interest rate swaps and caps to hedge against changes in interest rates on the underlying debt obligations whenever it is appropriate.

As at 31 December 2011, the Group has no outstanding agreements with financial institutions for interest rate swaps or caps.

Sensitivity analysis for interest rate risk:

The Group's borrowings at variable rates on which effective hedges have not been entered into, are denominated mainly in Singapore dollar and United States dollar. If interest rates increase/decrease by 0.5% (2010: 0.5%) with all other variables, including tax rate, being held constant, the Group's profit after taxation will be lower/higher by \$5,127,000 (2010: \$5,002,000).

(b) Foreign Currency Risk

Foreign currency risk arises when transactions are denominated in currencies other than the respective functional currencies of the various entities in the Group, and such changes will impact the Group's profit.

As at 31 December 2011, the Group has outstanding forward currency contracts of nominal amounts of US\$60 million (2010: US\$47 million) to hedge its risk in respect of management fees receivables in this currency. The derivative liability and asset on these forward contracts are as shown in Notes 30 and 27 respectively.

In addition, the Group is exposed to foreign currency movements on its net investment in foreign subsidiary and associated companies, which generate revenue and incur costs denominated in foreign currencies; and such changes impact the results and reserves of the Group. This currency exposure is, as practicable as possible, managed through borrowings in the same currencies in which the assets are denominated.

36. Financial Risk Management (continued)**(b) Foreign Currency Risk** (continued)

The carrying amounts of significant financial assets and financial liabilities denominated in currencies other than the functional currencies of the respective entities are as follows:

	2011					2010				
	United States Dollar (USD) \$'000	Renminbi (RMB) \$'000	Indonesian Rupiah (IDR) \$'000	Indian Rupee (INR) \$'000	Vietnamese Dong (VND) \$'000	United States Dollar (USD) \$'000	Renminbi (RMB) \$'000	Indonesian Rupiah (IDR) \$'000	Indian Rupee (INR) \$'000	Vietnamese Dong (VND) \$'000
<u>Financial Assets</u>										
Debtors	3,633	138	1,007	-	1,654	96,091	205	679	-	30,101
Cash and cash equivalents	37,125	169	1,616	55	16,159	37,996	30	1,103	36	26,496
Long-term investments	125,680	-	-	-	-	111,241	-	-	-	-
<u>Financial Liabilities</u>										
Creditors	(40,508)	(141)	(1,878)	-	(5,874)	(37,367)	(21)	(4,180)	-	(21,313)
Borrowings	(186,172)	-	-	-	-	-	-	-	-	(27,052)

Sensitivity analysis for currency risk:

If the relevant foreign currencies change against the respective functional currencies of the Group entities by 5% (2010: 5%) with all other variables, including tax rate, being held constant, the effect arising from the net financial assets/liabilities position will be as follows:

	Profit after Taxation Increase/(Decrease)	
	2011 \$'000	2010 \$'000
USD against SGD		
- strengthened	(3,012)	10,398
- weakened	3,012	(10,398)
RMB against SGD		
- strengthened	8	11
- weakened	(8)	(11)
IDR against SGD		
- strengthened	37	(120)
- weakened	(37)	120
INR against SGD		
- strengthened	3	2
- weakened	(3)	(2)
VND against USD		
- strengthened	597	412
- weakened	(597)	(412)

(c) Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

Trade debtors comprise mainly the Group's customers who bought residential units and tenants of commercial properties.

Bank deposits are mainly deposits with banks that meet appropriate credit criteria.

The following situations may give rise to credit risk:

- (i) That the tenants of investment properties and purchasers of development properties may default on their obligations to pay the amounts owing to the Group.
 - (a) For investment properties, the Group manages credit risks arising from tenants defaulting on their rental by requiring the tenants to furnish cash deposits, and/or banker's guarantees. The Group also has a policy of regular review of debt collection and rental contracts are entered into with customers with an appropriate credit history.
 - (b) For trading properties, the Group generally has the following recourse:
 - Forfeiture of instalments paid and re-sale of the re-possessed properties; and
 - Claim against the purchasers for any shortfall from the re-sale.
- (ii) That a counterparty will default on its contractual obligations under financial instrument contracts resulting in financial loss to the Group. It is generally limited to the amounts, if any, by which the counterparty's obligations exceed the obligations of the Group. It is also the Group's policy to enter into financial instrument contracts with a diversity of prime financial institutions and creditworthy parties. Credit risks are monitored on an ongoing basis.

As at 31 December 2011 and 2010, there were no significant concentration of credit risks other than the deposits placed with related companies as disclosed in Note 29.

The maximum exposure to credit risk is the carrying amount of financial assets which are mainly trade and other debtors, amounts owing by holding company and related parties, cash and cash equivalents, other non-current asset and financial guarantees.

(d) Liquidity Risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group manages the liquidity risk by maintaining sufficient cash, internally generated cashflows, and the availability of funding resources through adequate committed credit facilities. The Group also maintains a mix of short-term money market borrowings as well as the ability to tap the capital market through the MTN Programme and convertible bonds to fund working capital requirements and capital expenditure/ investments.

Notes to the Financial Statements

36. Financial Risk Management (continued)

(d) Liquidity Risk (continued)

The following table summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the balance sheet date based on contractual undiscounted repayment obligations.

	2011				2010 (Restated)			
	Within 1 Year \$'000	Between 1 to 5 Years \$'000	After 5 Years \$'000	Total \$'000	Within 1 Year \$'000	Between 1 to 5 Years \$'000	After 5 Years \$'000	Total \$'000
GROUP								
<u>Financial Assets</u>								
Other non-current asset	-	-	103,900	103,900	-	-	-	-
Long-term investments	-	111,010	14,753	125,763	-	103,987	7,351	111,338
Debtors (excluding non-financial assets)	598,544	-	-	598,544	568,818	-	-	568,818
Amounts owing by holding company and related parties	157,960	542,587	-	700,547	135,269	446,161	-	581,430
Cash and cash equivalents	1,941,937	-	-	1,941,937	1,589,046	-	-	1,589,046
	<u>2,698,441</u>	<u>653,597</u>	<u>118,653</u>	<u>3,470,691</u>	<u>2,293,133</u>	<u>550,148</u>	<u>7,351</u>	<u>2,850,632</u>
<u>Financial Liabilities</u>								
Creditors	1,051,417	-	-	1,051,417	894,197	-	-	894,197
Amounts owing to holding company and related parties	6,306	-	-	6,306	3,167	-	-	3,167
Borrowings	201,213	2,264,091	100,000	2,565,304	334,256	2,121,233	100,000	2,555,489
	<u>1,258,936</u>	<u>2,264,091</u>	<u>100,000</u>	<u>3,623,027</u>	<u>1,231,620</u>	<u>2,121,233</u>	<u>100,000</u>	<u>3,452,853</u>
Total net undiscounted financial assets/ (liabilities)	<u>1,439,505</u>	<u>(1,610,494)</u>	<u>18,653</u>	<u>(152,336)</u>	<u>1,061,513</u>	<u>(1,571,085)</u>	<u>(92,649)</u>	<u>(602,221)</u>

	2011				2010 (Restated)			
	Within 1 Year \$'000	Between 1 to 5 Years \$'000	After 5 Years \$'000	Total \$'000	Within 1 Year \$'000	Between 1 to 5 Years \$'000	After 5 Years \$'000	Total \$'000
COMPANY								
<u>Financial Assets</u>								
Long-term								
investments	-	-	8,366	8,366	-	-	7,254	7,254
Debtors (excluding non-financial assets)								
	184	-	-	184	177	-	-	177
Amounts owing by holding company and related parties								
	5,600,065	-	-	5,600,065	3,306,065	-	-	3,306,065
Cash and cash equivalents								
	429	-	-	429	354	-	-	354
	<u>5,600,678</u>	<u>-</u>	<u>8,366</u>	<u>5,609,044</u>	<u>3,306,596</u>	<u>-</u>	<u>7,254</u>	<u>3,313,850</u>
<u>Financial Liabilities</u>								
Creditors								
	50,087	-	-	50,087	50,977	-	-	50,977
Amounts owing to holding company and related parties								
	1,430,796	-	-	1,430,796	5,240	-	-	5,240
Borrowings								
	150,000	1,493,264	100,000	1,743,264	320,000	1,220,000	100,000	1,640,000
	<u>1,630,883</u>	<u>1,493,264</u>	<u>100,000</u>	<u>3,224,147</u>	<u>376,217</u>	<u>1,220,000</u>	<u>100,000</u>	<u>1,696,217</u>
Total net undiscounted financial assets/ (liabilities)								
	<u>3,969,795</u>	<u>(1,493,264)</u>	<u>(91,634)</u>	<u>2,384,897</u>	<u>2,930,379</u>	<u>(1,220,000)</u>	<u>(92,746)</u>	<u>1,617,633</u>

36. Financial Risk Management (continued))**(d) Liquidity Risk** (continued)

The following table shows the contractual expiry by maturity of the Group's and Company's contingent liabilities. The maximum amounts that the Group and the Company could be called upon under the financial guarantee contracts, if the full guaranteed amount is claimed by the counterparty, are as disclosed in Note 34. They are allocated to the earliest period in which the guarantee could be called upon.

	2011			2010		
	Within 1 Year \$'000	Between 1 to 5 Years \$'000	Total \$'000	Within 1 Year \$'000	Between 1 to 5 Years \$'000	Total \$'000
GROUP						
Financial guarantees	1,684	5,205	6,889	1,949	5,311	7,260
COMPANY						
Financial guarantees	9,034	324,176	333,210	8,840	279,790	288,630

(e) Categories of Financial Assets and Financial Liabilities

The following table sets out the financial instruments as at the balance sheet date:

	GROUP		COMPANY	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<u>Financial Assets</u>				
Available-for-sale financial assets	125,763	111,338	8,366	7,254
Derivative financial instruments	103,900	4,701	-	-
Loans and receivables (including cash and cash equivalents)	3,241,028	2,734,593	5,600,678	3,306,596
<u>Financial Liabilities</u>				
Derivative financial instruments	2,442	-	-	-
Liabilities carried at amortised carrying value	3,592,694	3,413,825	3,196,256	1,657,189

(f) Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on the net debt-equity ratio, which is calculated as net debt divided by total capital. Net debt is calculated as borrowings less cash and cash equivalents, and total capital is calculated as equity including non-controlling interests in subsidiary companies.

	GROUP			COMPANY	
	2011 \$'000	2010 (Restated) \$'000	2009 (Restated) \$'000	2011 \$'000	2010 \$'000
Net debt	595,476	927,415	834,012	1,714,944	1,600,618
Total capital	5,713,620	4,430,513	3,581,415	3,789,406	3,021,177
Net debt-equity ratio (times)	0.10	0.21	0.23	0.45	0.53

37. Fair Value of Financial Assets and Liabilities

The carrying amounts of the following financial assets and liabilities of the Group and Company approximate their fair values due to their short-term nature: Cash and cash equivalents, trade and other debtors, creditors, amounts owing by/to related companies and short-term borrowings.

The fair values of the long-term borrowings as at 31 December 2011 are as stated below. They are estimated using discounted cash flow analysis based on current rates for similar types of borrowing arrangements.

	2011				2010			
	GROUP		COMPANY		GROUP		COMPANY	
	Carrying Amount \$'000	Fair Value \$'000	Carrying Amount \$'000	Fair Value \$'000	Carrying Amount \$'000	Fair Value \$'000	Carrying Amount \$'000	Fair Value \$'000
Long-term borrowings	2,336,200	2,390,359	1,565,373	1,619,532	2,199,669	2,205,576	1,298,436	1,304,343

Amounts owing by associated companies are charged at floating interest rates and their carrying amounts approximate their fair values.

37. Fair Value of Financial Assets and Liabilities (continued)**Fair Value Measurement**

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. There are three fair value hierarchy levels, as follows:

- (a) Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (b) Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- (c) Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows an analysis of financial instruments carried at fair value by fair value hierarchy level:

	2011				2010			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
GROUP								
Available-for-sale financial assets								
– Equity instruments	54	-	125,709	125,763	68	-	111,270	111,338
Derivative financial instruments								
– Call option	-	-	103,900	103,900	-	-	-	-
– Forward currency contracts	-	(2,442)	-	(2,442)	-	4,701	-	4,701
	<u>54</u>	<u>(2,442)</u>	<u>229,609</u>	<u>227,221</u>	<u>68</u>	<u>4,701</u>	<u>111,270</u>	<u>116,039</u>
COMPANY								
Available-for-sale financial assets								
– Equity instruments	-	-	8,366	8,366	-	-	7,254	7,254

There have been no transfers between Level 1, Level 2 and Level 3 during 2011 and 2010.

Determination of Fair Value

Quoted equity instruments (see Note 24): The fair value is determined directly by reference to their published market bid price at the balance sheet date.

Unquoted equity instruments (see Note 24): The fair value of investments that are not traded in an active market is determined by reference to the underlying net asset value of the investee companies.

Derivative financial instruments (see Notes 21, 27 and 30): The fair value of the call option is determined by reference to the difference in valuations obtained from an independent professional valuer for the underlying investment property based on the remaining 850-year leasehold and 99-year leasehold. The fair value of forward currency contracts is based on the over-the-counter rates.

Movement in Level 3 Financial Instruments

The following table presents the reconciliation for all financial instruments measured at fair value based on significant unobservable inputs:

	2011			2010		
	Unquoted Equity Instruments \$'000	Derivative Financial Instruments \$'000	Total \$'000	Unquoted Equity Instruments \$'000	Derivative Financial Instruments \$'000	Total \$'000
GROUP						
At 1 January	111,270	-	111,270	67,812	-	67,812
Transfer from investment in associated company	-	-	-	28,689	-	28,689
Net fair value gains recognised in other comprehensive income	282	-	282	1,883	-	1,883
Purchases	12,568	-	12,568	12,886	-	12,886
Call option granted to the Group	-	103,900	103,900	-	-	-
Others	1,589	-	1,589	-	-	-
At 31 December	<u>125,709</u>	<u>103,900</u>	<u>229,609</u>	<u>111,270</u>	<u>-</u>	<u>111,270</u>
COMPANY						
At 1 January	7,254	-	7,254	6,221	-	6,221
Net fair value gains recognised in other comprehensive income	1,112	-	1,112	1,033	-	1,033
At 31 December	<u>8,366</u>	<u>-</u>	<u>8,366</u>	<u>7,254</u>	<u>-</u>	<u>7,254</u>

38. Comparatives

Certain adjustments have been made to the previous years' financial statements to conform with current year's presentation in connection with the adoption of INT FRS 115 *Agreements for the Construction of Real Estate*.

As a result, certain line items have been restated in the balance sheets of the Group as at 31 December 2010 and 2009, the statements of changes in equity of the Group, the consolidated profit and loss account, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year ended 31 December 2010, and the related notes to the financial statements.

39. Events Occurring After the Reporting Period

On 19 January 2012, the Group announced that its wholly-owned subsidiary company, Triumph Jubilee Limited, has entered into a sale and purchase agreement to acquire a 100% interest in Aether Pte Ltd ("Aether Singapore") for a consideration of US\$136.2 million (approximately S\$167.4 million). Aether Singapore indirectly owns 51% interest in Beijing Aether Property Development Ltd which is a property development company involved in a commercial project in Beijing, China.

The acquisition is not expected to have a material impact on the net tangible assets per share or earnings per share of the Group for the financial year ending 31 December 2012.

40. Future Changes in Accounting Policies

The Group has not adopted the following standards that have been issued but not yet effective:

Description	Effective for Annual Periods Beginning on or after
Amendments to FRS 107 <i>Disclosures – Transfers of Financial Assets</i>	1 July 2011
Amendments to FRS 12 <i>Deferred tax: Recovery of Underlying Assets</i>	1 January 2012
Amendments to FRS 1 <i>Presentation of Items of Other Comprehensive Income</i>	1 July 2012
Revised FRS 19 <i>Employee Benefits</i>	1 January 2013
Revised FRS 27 <i>Separate Financial Statements</i>	1 January 2013
Revised FRS 28 <i>Investments in Associates and Joint Ventures</i>	1 January 2013
FRS 110 <i>Consolidated Financial Statements</i>	1 January 2013
FRS 111 <i>Joint Arrangements</i>	1 January 2013
FRS 112 <i>Disclosure of Interests in Other Entities</i>	1 January 2013
FRS 113 <i>Fair Value Measurements</i>	1 January 2013

The standards that are relevant to the Group are as follows:

Amendments to FRS 12 *Deferred Tax: Recovery of Underlying Assets*

The Amendments to FRS 12 apply to the measurement of deferred tax liabilities and assets arising from investment properties measured using the fair value model under FRS 40 *Investment Property*, including investment property acquired in a business combination and subsequently measured using the fair value model. For the purposes of measuring deferred tax, the Amendments introduce a rebuttable presumption that the carrying amount of an investment property measured at fair value will be recovered entirely through sale. The presumption can be rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits over time, rather than through sale.

The Group provides for deferred tax liabilities for its investment properties on the basis that the carrying amount of the investment properties will be recovered through use. Upon adoption of the Amendments to FRS 12, there is a presumption that the carrying amount of an investment property measured at fair value will be recovered entirely through sale. Accordingly, there will be no deferred tax liability on investment properties in Singapore as there is no capital gains tax in Singapore.

When the Group applies Amendments to FRS 12 in 2012 retrospectively, the 2011 comparative for net profit is expected to increase by approximately \$36.0 million. The deferred tax liabilities are expected to decrease by approximately \$12.3 million. The revenue reserves and share of associated companies' post-acquisition reserves are expected to increase by approximately \$113.7 million and \$102.7 million respectively.

Amendments to FRS 1 *Presentation of Items of Other Comprehensive Income*

The Amendments to FRS 1 changes the grouping of items presented in other comprehensive income. Items that could be reclassified to profit or loss at a future point in time would be presented separately from items which will never be reclassified. As the Amendments only affect the presentations of items that are already recognised in other comprehensive income, it will have no impact on the financial position and financial performance of the Group upon adoption.

FRS 110 Consolidated Financial Statements and Revised FRS 27 Separate Financial Statements

FRS 111 Joint Arrangements and Revised FRS 28 Investments in Associates and Joint Ventures

FRS 110 establishes a single control model that applies to all entities (including special purpose entities). The changes introduced by FRS 110 will require management to exercise significant judgment to determine which entities are controlled, and therefore are required to be consolidated by the Group, compared with the requirements that were in FRS 27. Therefore, FRS 110 may change which entities are consolidated within a group. The revised FRS 27 was amended to address the accounting for subsidiary companies, jointly controlled entities and associated companies in separate financial statements.

FRS 111 classifies joint arrangements either as joint operations or joint ventures. Joint operation is a joint arrangement whereby the parties that have rights to the assets and obligations for the liabilities whereas joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. FRS 111 requires the determination of joint arrangement's classification to be based on the parties' rights and obligations under the arrangement, with the existence of a separate legal vehicle no longer being the key factor. FRS 111 disallows proportionate consolidation and requires joint ventures to be accounted for using the equity method. The revised FRS 28 was amended to describe the application of equity method to investments in joint ventures in addition to associated companies.

The Group is currently determining the impact of the above new and revised standards on the Group's financial statements.

FRS 112 Disclosure of Interests in Other Entities

FRS 112 is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. FRS 112 requires an entity to disclose information that helps users of its financial statements to evaluate the nature and risks associated with its interests in other entities and the effects of those interests on its financial statements. The Group is currently determining the impact of the disclosure requirements. As this is a disclosure standard, it will have no impact to the financial position and financial performance of the Group upon adoption.

FRS 113 Fair Value Measurements

FRS 113 provides a single source of guidance for all fair value measurements. FRS 113 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under FRS when fair value is required or permitted by FRS. The Group is currently determining the impact of this new standard on the Group's financial statements.

41. Significant Group Companies

Information relating to the significant subsidiary companies consolidated in these financial statements and the significant associated companies whose results are included in the financial statements is given on pages 240 to 245.



Significant Subsidiary and Associated Companies

For the financial year ended 31 December 2011

	Effective Equity Interest		Country of Incorporation/ Place of Business	Principal Activities
	2011 %	2010 %		
Subsidiary Companies				
Acresvale Investment Pte Ltd	100	100	Singapore	Property development and investment
Alpha Investment Partners Limited	100	100	Singapore	Fund management
Avenue Park Development Pte Ltd*	52	52	Singapore	Property development
Bayfront Development Pte Ltd*	100	100	Singapore	Investment holding
Bintan Bay Resort Pte Ltd*	90	90	Singapore	Investment holding
Castlehigh Pte Ltd	100	100	Singapore	Investment holding
D.L. Properties Ltd	65	65	Singapore	Property investment
Devonshire Development Pte Ltd*	60	60	Singapore	Property development
Evergro Properties Limited*	100	100	Singapore	Property investment and development
Elaenia Pte Ltd			Singapore	Investment holding
Ordinary shares	100	100		
Preference shares	51	-		
Greenfield Development Pte Ltd			Singapore	Investment holding
Ordinary shares	100	100		
Preference shares	100	100		
Harvestland Development Pte Ltd	100	100	Singapore	Property development and investment
Hillwest Pte Ltd*	100	100	Singapore	Investment holding
K-REIT Asia Investment Pte Ltd*	100	100	Singapore	Investment holding
K-REIT Asia Management Limited	100	100	Singapore	Property fund management
K-REIT Asia Property Management Pte Ltd	100	100	Singapore	Property management services
KeplandeHub Limited			Singapore	Investment holding
Ordinary shares	100	100		
Preference shares	100	100		
Keppel China Marina Holdings Pte Ltd*	100	100	Singapore	Investment holding
Keppel China Township Development Pte Ltd*			Singapore	Investment holding
Ordinary shares	100	100		
Preference shares	100	100		
Keppel Digihub Ltd* (Sold on 25.1.11)	-	100	Singapore	Property investment
Keppel Land (Arabia) Pte Ltd	100	100	Singapore	Investment holding
Keppel Land China Limited (formerly known as Keppel Land China Pte Limited)	100	100	Singapore	Investment holding
Keppel Land Financial Services Pte Ltd	100	100	Singapore	Financial services
Keppel Land International Limited			Singapore	Property services
Ordinary shares	100	100		
Preference shares	100	100		
Keppel Land (Mayfair) Pte Ltd*	100	100	Singapore	Property development
Keppel Land Properties Pte Ltd			Singapore	Investment holding
Ordinary shares	100	100		
Preference shares	100	100		
Keppel Land Realty Pte Ltd	100	100	Singapore	Property development and investment
Keppel Land (Tower D) Pte Ltd*	100	100	Singapore	Property development and investment

	Effective Equity Interest		Country of Incorporation/ Place of Business	Principal Activities
	2011	2010		
	%	%		
Subsidiary Companies				
Keppel Tianjin Eco-City Investments Pte Ltd*	55	55	Singapore	Investment holding
Keppel Tianjin Eco-City Holdings Pte Ltd*	55	55	Singapore	Investment holding
Le-Vision Pte Ltd	100	100	Singapore	Investment holding
Mansfield Developments Pte Ltd	100	100	Singapore	Property development
Meadowville Investment Pte Ltd			Singapore	Investment holding
Ordinary shares	100	100		
Preference shares	100	100		
Merryfield Investment Pte Ltd*	100	100	Singapore	Investment holding
Montfort Development Pte Ltd			Singapore	Investment holding
Ordinary shares	100	100		
Preference shares	100	100		
Ocean & Capital Properties Pte Limited*	100	100	Singapore	Property/investment holding
Ocean Properties Pte. Limited* (Sold on 14.12.11)	-	88	Singapore	Property investment
Oceansky Pte Ltd*	100	100	Singapore	Investment holding
OIL (Asia) Pte Ltd			Singapore	Investment holding
Ordinary shares	100	100		
Preference shares	100	100		
Pasir Panjang Realty Pte Ltd*	100	100	Singapore	Investment holding
Portsville Pte Ltd	100	100	Singapore	Investment holding
Saigon Centre Holdings Pte Ltd			Singapore	Investment holding
Ordinary shares	100	100		
Preference shares	100	100		
Sedona Hotels International Pte Ltd	100	100	Singapore	Hotel and resort management
Sherwood Development Pte Ltd	100	100	Singapore	Property development
Spring City Resort Pte Ltd*			Singapore	Investment holding
Ordinary shares	100	100		
Preference shares	100	100		
Straits Properties Limited	100	100	Singapore	Property development and investment
Straits Property Investments Pte Ltd	100	100	Singapore	Investment holding
Straits-CM Village Hotel Pte Ltd*	39	39	Singapore	Investment holding
Straits-KMP Resort Development Pte Ltd*	46	46	Singapore	Investment holding
Tat Chuan Development (Pte) Ltd	100	100	Singapore	Property development
Third Dragon Development Pte Ltd*	100	100	Singapore	Investment holding and marketing agent
Wiseland Investment Pte Ltd	100	100	Singapore	Investment holding
Aintree Assets Limited (H)	100	100	British Virgin Islands/Asia	Investment holding
Alverno Investments Limited* (H)	100	100	British Virgin Islands/Vietnam	Investment holding
Double Peak Holdings Limited (H)			British Virgin Islands/Singapore	Investment holding
Ordinary shares	100	100		
Preference shares	100	100		
Jency Limited* (H)	90	90	British Virgin Islands/Vietnam	Investment holding
Pembury Properties Limited* (H)	100	100	British Virgin Islands/Singapore	Investment holding

Significant Subsidiary and Associated Companies

Significant Subsidiary and Associated Companies

	Effective Equity Interest		Country of Incorporation/ Place of Business	Principal Activities
	2011	2010		
	%	%		
Subsidiary Companies				
Success View Enterprises Limited* (H)	55	55	British Virgin Islands/China	Investment holding
Beijing Kingsley Property Development Co Ltd* (G)	100	100	China	Property development
Changzhou Fushi Housing Development Pte Ltd* (G)	100	100	China	Property development
Chengdu Hillwest Development Co Ltd* (G)	100	100	China	Property development
Chengdu Hillstreet Development Co Ltd* (G)	100	100	China	Property development
Chengdu Hilltop Development Co Ltd* (G)	100	100	China	Property development
Jiangyin Evergro Properties Co Ltd* (G)	99	99	China	Property development
Jiangyin Yangtze International Country Club Co Ltd* (G)	95	95	China	Golf club operations and development
Keppel Bay Property Development (Shenyang) Co Ltd* (G)	100	100	China	Property development
Keppel Hong Da (Tianjin Eco-City) Property Development Co Ltd* (G)	55	55	China	Property development
Keppel Hong Tai (Tianjin Eco-City) Property Development Co Ltd* (G)	55	-	China	Property development
Keppel Hong Teng (Tianjin Eco-City) Property Development Co Ltd* (G)	55	-	China	Property development
Keppel Hong Xiang (Tianjin Eco-City) Property Development Co Ltd* (G)	55	-	China	Property development
Keppel Hong Yao (Tianjin Eco-City) Property Development Co Ltd* (G)	55	-	China	Property development
Keppel Hong Yuan (Tianjin Eco-City) Property Development Co Ltd* (G)	55	-	China	Property development
Keppel Lakefront (Nantong) Property Development Co Ltd* (G)	100	-	China	Property development
Keppel Lakefront (Wuxi) Property Development Co Ltd* (G)	100	-	China	Property development
Keppel Township Development (Shenyang) Co Ltd* (G)	100	100	China	Property development
Shanghai Floraville Land Co Ltd* (G)	99	99	China	Property development
Shanghai Hongda Property Development Co Ltd* (G)	99	99	China	Property development
Shanghai Ji Xiang Land Co Ltd* (G)	100	-	China	Property development
Shanghai Merryfield Land Co Ltd* (G)	99	99	China	Property development
Shanghai Minghong Property Co Ltd* (G)	99	99	China	Property development
Shanghai Pasir Panjang Land Co Ltd* (G)	99	99	China	Property development
Sunsea Yacht Club (Zhongshan) Co Ltd* (G)	80	80	China	Development of marina lifestyle cum residential properties
Tianjin Fulong Property Development Co Ltd* (G)	100	100	China	Property development
Tianjin Fushi Property Development Co Ltd* (G)	100	100	China	Property development
Tianjin Merryfield Property Development Co Ltd* (G)	100	100	China	Property development
Tianjin Pearl Beach International Country Club Co Ltd* (G)	100	100	China	Golf course development
Keppel Land (Saigon Centre) Ltd* (G)	100	100	Hong Kong	Investment holding
Sunseacan Investment (HK) Company Limited* (G)	80	80	Hong Kong	Investment holding
Keppel Puravankara Development Pvt Ltd* (A)	51	51	India	Property development

	Effective Equity Interest		Country of Incorporation/ Place of Business	Principal Activities
	2011	2010		
	%	%		
Subsidiary Companies				
PT Kepland Investama* (A)	100	100	Indonesia	Property investment/ development
PT Keppel Land* (A)	100	100	Indonesia	Property services/ development/investment
PT Mitra Sindo Makmur* (E)	51	51	Indonesia	Property development/ investment
PT Mitra Sindo Sukses* (E)	51	51	Indonesia	Property development/ investment
PT Ria Bintan* (E)	46	46	Indonesia	Golf course ownership and operations
PT Sentral Supel Perkasa* (A)	80	80	Indonesia	Property investment/ development
PT Sentral Tunjungan Perkasa* (A)	80	80	Indonesia	Property development
PT Straits-CM Village* (E)	39	39	Indonesia	Hotel ownership and operations
Straits Greenfield Limited* (G)	100	100	Myanmar	Hotel ownership and operations
Wiseland Investment (Myanmar) Limited* (G)	100	100	Myanmar	Hotel ownership and operations
Buena Homes, Inc.* (B)	51	51	Philippines	Investment holding
Keppel Philippines Properties, Inc. (B)			Philippines	Investment holding
Ordinary shares	51	51		
Preference shares	100	100		
Keppel Al Numu Development Ltd* (A)	51	51	Saudi Arabia	Property development
Cornerstone Realty Company Limited* (A)	45	45	Thailand	Property development
Gold Star Property Company Limited* (A)	45	45	Thailand	Property development
Keppel Thai Properties Public Company Limited (A)	45	45	Thailand	Property development/ investment
Thai-Kami Company Limited* (A)	45	45	Thailand	Property development
Top Property Company Limited* (A)	67	67	Thailand	Property development
Belwynn-Hung Phu Joint Venture Limited Liability Company* (A)	60	-	Vietnam	Property development
Estella Joint Venture Company Limited* (A)	55	55	Vietnam	Property development
International Centre Company Limited* (E)	43	43	Vietnam	Property investment
Keppel Land Watco I Company Limited* (A)	68	68	Vietnam	Property investment/ development
Keppel Land Watco II Company Limited* (A)	68	68	Vietnam	Property investment/ development
Keppel Land Watco III Company Limited* (A)	68	68	Vietnam	Property investment/ development
Quang Ba Royal Park Joint Venture Company* (A)	59	59	Vietnam	Property investment
Riviera Cove Joint Venture Limited Liability Company* (A)	60	60	Vietnam	Property development
Riviera Point Limited Liability Company* (A)	75	75	Vietnam	Property development
Saigon Riviera JV Co Ltd* (A)	90	90	Vietnam	Property development
Saigon Sports City Limited* (A)	90	90	Vietnam	Property development

Significant Subsidiary and Associated Companies

	Effective Equity Interest		Country of Incorporation/ Place of Business	Principal Activities
	2011	2010		
	%	%		
Associated Companies				
Asia Real Estate Fund Management Limited*	50	50	Singapore	Fund management
Central Boulevard Development Pte Ltd*	33	33	Singapore	Property development
CityOne Township Development Pte Ltd*	50	50	Singapore	Investment holding
EM Services Pte Ltd (G)	25	25	Singapore	Property management
K-REIT Asia* (46% up to 28.7.11)	47	46	Singapore	Real estate investment trust
Keppel Bay Pte Ltd (C)	30	30	Singapore	Property development
Keppel Data Centres Holding Pte Ltd*	30	-	Singapore	Owner and operator of data centres and disaster recovery centres
Keppel Group Eco-City Investments Pte Ltd* (C)	35	35	Singapore	Investment holding
Keppel Point Pte Ltd (C)	30	30	Singapore	Property development/ investment
Kingsdale Development Pte Ltd*	50	50	Singapore	Investment holding
Parkville Development Pte Ltd*	50	50	Singapore	Property investment
Raffles Quay Asset Management Pte Ltd*	33	33	Singapore	Property management
SAFE Enterprises Pte Ltd (D)	25	25	Singapore	Investment holding
Suzhou Property Development Pte Ltd* (D)	25	25	Singapore	Property development
Yihe Holding Pte Ltd* (G)	50	50	Singapore	Investment holding
Substantial Enterprises Limited* (H)	35	35	British Virgin Islands/China	Investment holding
Cityone Development (Wuxi) Co Ltd* (G)	50	50	China	Property development
Keppel Magus Development Pvt Ltd* (G)	38	38	India	Property development
PT Pantai Indah Tateli* (A)	50	50	Indonesia	Property development
PT Pulomas Gemala Misoro* (G)	25	25	Indonesia	Property development
PT Purimas Straits Resorts* (G)	25	25	Indonesia	Development of holiday resort
PT Purosani Sri Persada* (E)	20	20	Indonesia	Property investment
Jernih Rezeki Sdn Bhd* (Under liquidation) (A)	49	49	Malaysia	Property development
Renown Property Holdings (M) Sdn Bhd (A)	40	40	Malaysia	Property investment
Tropical Garden NV (G)	25	25	Netherlands Antilles	Investment holding
SM Keppel Land, Inc.* (B)	20	20	Philippines	Property development
Dong Nai Waterfront City LLC* (A)	50	50	Vietnam	Property development
South Rach Chiec LLC* (A)	42	42	Vietnam	Property development

Notes:

1. The holding in the equity shown for each subsidiary and associated company is the proportion attributable to Keppel Land Limited. Changes in interest, if any, and subsidiary and associated companies acquired or disposed of during the year are as indicated in brackets against the companies concerned.
2. Associated companies are those in which the Group has significant influence, but not control, in the operating and financial policy decisions.
3. Companies indicated with an asterisk (*) are indirectly held by Keppel Land Limited. In the case of Elaenia Pte Ltd, Keppel Land Limited owns 100% direct interest in its ordinary shares and 51% indirect interest in its preference shares.
4. All the active companies operate in their respective countries of incorporation, unless otherwise specified.
5. All the companies are audited by Ernst & Young LLP, Singapore except for the following:
 - (A) Audited by member firms of Ernst & Young Global in the respective countries
 - (B) Audited by Sycip Gorres Velayo & Co, Philippines, an associated firm of Ernst & Young
 - (C) Audited by Deloitte & Touche LLP, Singapore
 - (D) Audited by KPMG LLP, Singapore
 - (E) Audited by an overseas practice of Deloitte & Touche LLP
 - (F) Audited by an overseas practice of KPMG LLP
 - (G) Audited by other firms of auditors
 - (H) Not required to be audited by law in the country of incorporation
6. In accordance with Rule 716 of The Singapore Exchange Securities Trading Limited, the Audit Committee and Board of Directors of the Company confirm that they are satisfied that the appointment of different auditors for certain of its subsidiary and associated companies will not compromise the standard and effectiveness of the audit of the Group.

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