

## **PRICING SUPPLEMENT**

**MAPLETREE COMMERCIAL TRUST TREASURY COMPANY PTE. LTD.**

(Incorporated with limited liability in Singapore)

S\$1,000,000,000

Multicurrency Medium Term Note Programme

SERIES NO: 008

TRANCHE NO: 001

S\$100,000,000 3.045 per cent. Fixed Rate Notes Due 2027

Issue Price: 100 per cent.

Dealer

**OVERSEA-CHINESE BANKING CORPORATION LIMITED**

Issuing and Paying Agent

**THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED**

21 Collyer Quay

#03-01 HSBC Building

Singapore 049320

The date of the Pricing Supplement is 23 August 2017

This Pricing Supplement relates to the Tranche of Notes referred to above.

This Pricing Supplement, under which the Notes described herein (the "**Notes**") are issued, is supplemental to, and should be read in conjunction with, the Information Memorandum dated 8 August 2012 (the "**Information Memorandum**") issued in relation to the S\$1,000,000,000 Multicurrency Medium Term Note Programme of Mapletree Commercial Trust Treasury Company Pte. Ltd. and DBS Trustee Limited (in its capacity as trustee of Mapletree Commercial Trust ("**MCT**"). Terms defined in the Information Memorandum have the same meaning in this Pricing Supplement. The Notes will be issued on the terms of this Pricing Supplement (including Annex 1 to this Pricing Supplement) read together with the Information Memorandum. Each of Mapletree Commercial Trust Treasury Company Pte. Ltd. and DBS Trustee Limited (in its capacity as trustee of MCT) (in such capacity, the "**Guarantor**") accepts responsibility for the information contained in this Pricing Supplement which, when read together with the Information Memorandum, contains all information that is material in the context of the Programme, the issue and offering of the Notes and the giving of the Guarantee and that there are no other facts the omission of which in the context of the Programme, the issue and offering of the Notes and the giving of the Guarantee would make any such information misleading in a material respect.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

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 Income Tax Act, Chapter 134 of Singapore (the "**Income Tax Act**") 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 Income Tax Act.

Pursuant to the Income Tax Act and the Income Tax (Qualifying Debt Securities) Regulations, the Notes would be "qualifying debt securities" for the purposes of the Income Tax Act.

**MAPLETREE COMMERCIAL TRUST TREASURY COMPANY PTE. LTD.**



Signed: \_\_\_\_\_  
**SHARON LIM (Director)**

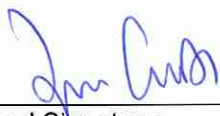


Signed: \_\_\_\_\_  
**JANICA TAN (Director)**

**DBS TRUSTEE LIMITED**  
**(in its capacity as trustee of MAPLETREE COMMERCIAL TRUST)**

Signed:   
\_\_\_\_\_  
Authorised Signatory

Chan Kim Lim  
Authorised Signatory

Signed:   
\_\_\_\_\_  
Authorised Signatory

Joyce Chua Yuen Khum  
Authorised Signatory

The terms of the Notes and additional provisions relating to their issue are as follows:

- |     |  |  |
|-----|--|--|
| 1.  | (a) Issuer:  | Mapletree Commercial Trust Treasury Company Pte. Ltd.  |
|     | (b) Guarantor  | DBS Trustee Limited (in its capacity as trustee of Mapletree Commercial Trust)   |
|     | (c) Calculation Agent:   | Not applicable   |
| 2.  | Series No.:  | 008  |
| 3.  | Tranche No.:   | 001  |
| 4.  | Currency:  | Singapore Dollars  |
| 5.  | Principal Amount of Series:                                    | S\$100,000,000   |
| 6.  | Principal Amount of Tranche:                                   | S\$100,000,000   |
| 7.  | Specified Denomination:  | S\$250,000 and integral multiples in excess thereof  |
| 8.  | Calculation amount (if different from Specified Denomination): | Not applicable   |
| 9.  | Issue Date:  | 28 August 2017   |
| 10. | Redemption Amount:<br>(including early redemption)             | Redemption at Maturity Date (Condition 6(a)): Specified Denomination<br><br>Redemption for Taxation Reasons (Condition 6(f)): Specified Denomination |
| 11. | Interest Basis:  | Fixed Rate   |
| 12. | Interest Commencement Date:                                    | 28 August 2017   |
| 13. | Fixed Rate Note  |  |
|     | (a) Maturity Date:   | 27 August 2027   |
|     | (b) Day Count Fraction:  | Actual / 365 (Fixed)<br>(as defined in 2006 ISDA Definitions)  |
|     | (c) Interest Payment Date(s):                                  | 28 February and 28 August in each year up to and including the Maturity Date, commencing on 28 February 2018   |
|     | (d) Initial Broken Amount:                                     | Not applicable   |
|     | (e) Final Broken Amount:                                       | Not applicable   |

(f)	Interest Rate:	3.045% per annum payable semi-annually in arrear
14.	Floating Rate Note	Not applicable
15.	Variable Rate Note	Not applicable
16.	Hybrid Note	Not applicable
17.	Zero-Coupon Note	Not applicable
18.	Issuer's Redemption Option: Issuer's Redemption Option Period (Condition 6(d)):	No
19.	Noteholders' Redemption Option: Noteholders' Redemption Option Period (Condition 6(e)):	No
20.	Issuer's Purchase Option: Issuer's Purchase Option Period (Condition 6(b)):	No
21.	Noteholders' VRN Purchase Option: Noteholders' VRN Purchase Option Period (Condition 6(c)(i)):	No
22.	Noteholders' Purchase Option: Noteholders' Purchase Option Period (Condition 6(c)(ii)):	No
23.	Redemption for Taxation Reasons: (Condition 6(f)):	Yes
24.	Form of Notes:	Bearer Permanent Global Note
25.	Additional Financial Centre(s):	Not applicable
26.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	Not applicable
27.	Applicable TEFRA exemption:	C Rules
28.	Listing:	Singapore Exchange Securities Trading Limited
29.	ISIN Code:	SG7FH4000003
30.	Common Code:	Not applicable

31. Clearing System(s):	The Central Depository (Pte) Limited
32. Depository:	The Central Depository (Pte) Limited
33. Delivery:	Delivery free of payment
34. Method of issue of Notes:	Individual Dealer
35. Dealer(s) for the Notes:	Oversea-Chinese Banking Corporation Limited
36. The aggregate principal amount of Notes issued has been translated in Singapore dollars at the rate of [●] producing a sum of (for Notes not denominated in Singapore dollars):	Not applicable
37. Use of proceeds:	The net proceeds arising from the issue of the Notes (after deducting issue expenses) will be on-lent to the Guarantor to refinance the existing borrowings of Mapletree Commercial Trust
38. Ratings:	The Notes to be issued have been assigned a rating of 'Baa1' by Moody's Investors Service
39. Other terms:	Not applicable
Details of any additions or variations to terms and conditions of the Notes as set out in the Information Memorandum:	Nil
Any additions or variations to the selling restrictions:	Nil

## ANNEX 1

### SUPPLEMENTARY INFORMATION

The Issuer accepts responsibility for the information contained in this Annex 1. The Issuer, having made all reasonable enquiries, confirms that the information contained in this Annex 1 is true and accurate in all material respects and that there are no other facts the omission of which in the context of the issue and offering of the Notes make any such information misleading in a material respect.

To the fullest extent permitted by law, Oversea-Chinese Banking Corporation Limited (the "**Sole Lead Manager**") does not accept any responsibility or liability for the contents of this Annex 1, for the information incorporated by reference into the information memorandum dated 8 August 2012 (the "**Information Memorandum**"), or for any other statement, made or purported to be made by the Sole Lead Manager or on its behalf in connection with the Issuer or the issue and offering of the Notes. The Sole Lead Manager accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Annex 1 or any such statement.

### RISK FACTORS

The section "Risks Relating to the Properties of MCT" of the Information Memorandum shall be further supplemented with the following, which shall be deemed to be incorporated in, and form part of, the Information Memorandum:

#### **MCT will be reliant on the MBC Property (as defined herein) for a substantial portion of its Net Property Income<sup>1</sup>**

Mapletree Business City (Phase 1) is a large-scale integrated business hub located at 10, 20, 30 Pasir Panjang Road, Singapore 117438/117439/117440 ("**Mapletree Business City (Phase 1)**"). On 5 July 2016, DBS Trustee Limited, in its capacity as trustee of MCT (the "**MCT Trustee**") entered into a put and call agreement (the "**Option Agreement**") with Mapletree Business City Pte. Ltd. (the "**Vendor**") in relation to the proposed acquisition of the office and business park components of Mapletree Business City (Phase 1), comprising the leasehold interest over the strata area of approximately 208,036 square metres from level two to the rooftop of the buildings comprised in the strata lot number U48703N of Mukim 3 (the "**MBC Property**"), for a term commencing on the date of completion of the sale and purchase agreement to be entered into for the acquisition of the MBC Property (the "**SPA**"), up to and including 29 September 2096 (the "**Strata Lease**"). Following completion of the SPA, for the forecast period 1 October 2016 to 31 March 2017, the MBC Property is expected to account for approximately 30.0% of the Net Property Income of MCT. On 25 August 2016, the acquisition of the MBC Property was completed.

The Vendor will retain ownership of the other parts of Mapletree Business City (Phase 1), which consist of the carpark, multi-purpose hall, retail area and common property, as well as the remaining areas of the development (which include landscape areas, driveways and walkways) (the "**Licensed Premises**").

<sup>1</sup> "**Net Property Income**" means gross revenue (which consists of Gross Rental Income (as defined herein) and other income earned from MCT's properties, including carpark and advertising and promotion revenue) less property operating expenses.



Pursuant to the completion of the acquisition of the MBC Property, the MCT Trustee has also entered into the following agreements:

- (a) a licence agreement with the Vendor (the "**Licence Agreement**"), pursuant to which the Vendor will grant to the MCT Trustee a right to use the Licensed Premises as well as the artworks located within Mapletree Business City (Phase 1); and
- (b) a shared services agreement with the Vendor for the use of certain common facilities at Mapletree Business City (Phase 1) (namely the carpark, multi-purpose hall and common property) and the apportionment of costs relating to the provision of shared services to Mapletree Business City (Phase 1) (the "**Shared Services Agreement**").

Pursuant to the Licence Agreement, the MCT Trustee has been granted a contractual right to use the Licensed Premises. This contractual right is not an interest in land which is registrable with the Singapore Land Authority. Should the Vendor terminate the MCT Trustee's right to use the Licensed Premises under the Licence Agreement, MCT will not be able to use these premises and the operations or business of the MBC Property, or its attractiveness to tenants, may be adversely affected.

Pursuant to the Shared Services Agreement, each of the MCT Trustee and the Vendor has undertaken to procure, for the duration of the Strata Lease, provision of certain services for Mapletree Business City (Phase 1). The range of services include, but are not limited to, cleaning and maintenance services, fire alarm system maintenance, lifts and elevators maintenance, landscape maintenance, waste disposal services, provision of security services, chiller plant maintenance, and other services. Should the Vendor fail to procure the shared services for which it is responsible, the MCT Trustee may have to procure such services on its part for the MBC Property at its own expense. Should the MCT Trustee fail to procure such services for the MBC Property, or if the services procured by the MCT Trustee are of a standard not comparable to that previously provided, the operations or business of the MBC Property, or its attractiveness to tenants, may be adversely affected.

Any circumstance which adversely affects the operations or business of the MBC Property, or its attractiveness to tenants, such as physical damage to the building due to fire or other causes, may lead tenants to pre-terminate their leases and thereby reduce MBC Property's contribution to the Net Property Income of MCT. This in turn may adversely affect the financial condition and results of operations of MCT.

## **SINGAPORE TAXATION**

*The section "Singapore Taxation" appearing on pages 143 to 148 of the Information Memorandum shall be further supplemented, amended and replaced with the following, which shall be deemed to be incorporated in, and form part of, the Information Memorandum:*

*"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 Pricing Supplement 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 Pricing Supplement are intended or are to be regarded as advice on the tax position of any Securityholders or of any person acquiring, selling or otherwise dealing with the Securities or on any tax*

*implications arising from the acquisition, sale or other dealings in respect of the 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 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 tax incentive(s)) may be subject to special rules or tax rates. Prospective Securityholders are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership or disposal of the Securities, including, in particular, the effect of any foreign, state or local tax laws which they are subject to. It is emphasized that none of the Issuer, the Sole Lead Manager, the Guarantor or 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 Securities.*

### **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 15.0% final withholding tax described below) to non-resident persons (other than non-resident individuals) is the prevailing corporate tax rate, currently 17.0%. The applicable rate for non-resident individuals is currently 22.0%. 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 15.0%. The rate of 15.0% may be reduced by applicable tax treaties.

However, 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.

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

**"prepayment fee"**, in relation to debt securities, qualifying debt securities and qualifying project 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;

**"redemption premium"**, in relation to debt securities, qualifying debt securities and qualifying project debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity; and

**"break cost"**, in relation to debt securities, qualifying debt securities and qualifying project 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.

Any references to "prepayment fee", "redemption premium" and "break cost" in this Singapore tax disclosure shall have the same meaning as defined in the ITA.

In addition, as the Programme as a whole is arranged by DBS Bank Ltd., Citigroup Global Markets Singapore Pte. Ltd., Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited, each of which is a Financial Sector Incentive (Bond Market) Company (as defined in the ITA), any tranche of the Securities which is debt securities (as defined under the ITA) issued under the Programme during the period from the date of this Information Memorandum to 31 December 2018 ("**Relevant Debt Securities**") would be, pursuant to the ITA and the Income Tax (Qualifying Debt Securities) Regulations (the "**QDS Regulations**"), "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 MAS may direct, of a return on debt securities for the Relevant Debt Securities within such period as the MAS may specify and such other particulars in connection with the Relevant Debt Securities as the MAS may require, to the MAS, and the inclusion by the Relevant Issuer in all offering documents relating to the Relevant Debt Securities of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Debt 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 Debt 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 Debt 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 Debt Securities are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore income tax;
- (ii) subject to certain conditions having been fulfilled (including the furnishing by the Relevant Issuer, or such other person as the MAS may direct, of a return on debt securities for the Relevant Debt Securities within such period as the MAS may specify and such other particulars in connection with the Relevant Debt Securities as the MAS may require, to the MAS), Qualifying Income from the Relevant Debt Securities paid by the Relevant Issuer and derived by any company or body of persons (as defined in the ITA) in Singapore, other than any non-resident who qualifies for the tax exemption as described in paragraph (i) above, is subject to income tax at a concessionary rate of 10.0% (except for holders who have been granted 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 Debt 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 Debt 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 MAS may direct, furnishing to the MAS a return on debt securities for the Relevant Debt Securities within such period as the MAS may specify and such other particulars in connection with the Relevant Debt Securities as the MAS may require, Qualifying Income derived from the Relevant Debt Securities is 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 Debt Securities, such tranche of the Relevant Debt Securities is issued to fewer than four persons and 50.0% or more of the issue of such tranche of the Relevant Debt Securities is beneficially held or funded, directly or indirectly, by related parties of the Relevant Issuer, such tranche of the Relevant Debt Securities would not qualify as "qualifying debt securities"; and
- (B) even though a particular tranche of the Relevant Debt Securities is "qualifying debt securities", if, at any time during the tenure of such tranche of the Relevant Debt Securities, 50.0% or more of the issue of such tranche of the Relevant Debt Securities is beneficially held or funded, directly or indirectly, by related parties of the Relevant Issuer, Qualifying Income derived from that tranche of the Relevant Debt Securities held by:
  - (l) any related party of the Relevant Issuer; or
  - (l) any other person where the funds used by such person to acquire such tranche of the Relevant Debt 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 of 10.0% as described above.

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

Where interest, discount income, prepayment fee, redemption premium or break cost is derived from the Relevant Debt Securities by any person who is not tax 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 under the ITA (as described above) shall not apply if such person acquires such Relevant Debt Securities using the funds of such person's operations through a permanent establishment in Singapore.

Notwithstanding that the Relevant Issuer is permitted to make payments of interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (i.e. the Qualifying Income) in respect of the Relevant Debt Securities without deduction or withholding for tax under Section 45 and Section 45A of the ITA, any person whose Qualifying Income (whether it is interest, discount income, prepayment fee, redemption premium or break cost) derived from the Relevant Debt Securities is not exempt from tax is required to include such income in a return of income made under 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 furnishing by the Relevant 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 MAS may specify and such other particulars in connection with the qualifying debt securities as the MAS may require to the MAS), income tax exemption is granted on Qualifying Income derived by any investor from qualifying debt securities (excluding Singapore Government Securities) which:

- (a) are issued during the period from 16 February 2008 to 31 December 2018;
- (b) have an original maturity of not less than 10 years;
- (c) cannot have their tenure shortened to less than 10 years from the date of their issue, except where:
  - (i) the shortening of the tenure is a result of any early termination pursuant to certain specified early termination clauses which the Relevant Issuer included in any offering document for such qualifying debt securities and which falls within the types of early termination clause prescribed in the QDS Regulations; and
  - (ii) the qualifying debt securities do not contain any call, put, conversion, exchange or similar option that can be triggered at specified dates or at specified prices which have been priced into the value of the qualifying debt securities at the time of their issue; and
- (d) cannot be re-opened with a resulting tenure of less than 10 years to the original maturity date.

Where the shortening of the tenure of the qualifying debt securities to less than 10 years occurs under the circumstances prescribed by the QDS Regulations, the tax exemption under the QDS Plus Scheme shall not apply to Qualifying Income derived on or after the date on which the tenure of any portion of the qualifying debt securities is shortened to less than 10 years from the date of its issue. Holders of any outstanding qualifying debt securities may still enjoy the tax benefits under the qualifying debt securities scheme, i.e. tax exemption or concessionary rate of tax as applicable, if the qualifying debt securities conditions continue to be met.

In determining an investor's income that is to be exempted from tax under the QDS Plus Scheme, prescribed conditions apply in relation to how the investor's losses, expenses and capital allowances which are attributable to exempt income are to be treated. However, even if a particular tranche of the Relevant Debt Securities is "qualifying debt securities" which qualifies under the QDS Plus Scheme, if, at any time during the tenure of such tranche of the Relevant Debt Securities, 50.0% or more of the issue of such tranche of the Relevant Debt Securities is beneficially held or funded, directly or indirectly, by related parties of the Relevant Issuer, Qualifying Income from such tranche of the Relevant Debt 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 tranche of the Relevant Debt 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.

### **Capital Gains**

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

There are no specific laws or regulations which deal with the characterisation of capital gains. The characterisation of the gains arising from the sale of the Securities will depend on the facts and circumstances of each holder. Securityholders who have adopted or are adopting Singapore Financial Reporting Standard 39- Financial Instruments: Recognition and Measurement ("**FRS 39**") may, for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Securities, irrespective of disposal, in accordance with FRS 39. Please see the 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 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. Securityholders who may be subject to the tax treatment under the FRS 39 Circular and Section 34A of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Securities.

The Accounting Standards Council has issued a new financial reporting standard for financial instruments, FRS 109 — Financial Instruments, which will become mandatorily effective for annual periods beginning on or after 1 January 2018. The Ministry of Finance has issued the draft Income Tax (Amendment) Bill 2017 (the Draft Bill) for public consultation from 19 June 2017 to 10 July 2017. The Draft Bill incorporates proposed legislative amendments to the ITA, including the amendment for the introduction of the tax treatment under FRS 109. Based on the Draft Bill, the tax treatment under FRS 109 largely aligns the tax treatment of financial instruments to the accounting treatment. Holders and prospective holders of the Securities should consult their own accounting and tax advisers on the tax treatment to understand the implications and consequences that may be applicable to them.

### **Estate Duty**

Singapore estate duty has been abolished for deaths occurring on or after 15 February 2008."