

IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES OR, IN RESPECT OF ANY OFFERING OF NOTES UNDER CATEGORY 2 OF REGULATION S OF THE SECURITIES ACT, TO ANY U.S. PERSON.

IMPORTANT: You must read the following before continuing. The following applies to the offering circular following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the offering circular. In accessing the offering circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF NOTES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE NOTES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR, IN RESPECT OF ANY OFFERING OF NOTES UNDER CATEGORY 2 OF REGULATION S OF THE SECURITIES ACT, TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT TO PERSONS IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S UNDER THE SECURITIES ACT.

THE FOLLOWING OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. ADDRESS OR, IN RESPECT OF ANY OFFERING OR NOTES UNDER CATEGORY 2 OF REGULATION S OF THE SECURITIES ACT, TO ANY U.S. PERSON. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. **IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE NOTES DESCRIBED IN THE ATTACHED DOCUMENT.**

Confirmation of your Representation: In respect of any offering of notes under Category 2 of Regulation S of the Securities Act, in order to be eligible to view this offering circular or make an investment decision with respect to the notes, investors must not be U.S. persons (within the meaning of Regulation S under the Securities Act). This offering circular is being sent at your request and by accepting the e-mail and accessing this offering circular, you shall be deemed to have represented to us that (1) the electronic mail address that you gave us and to which this e-mail has been delivered or being accessed is not located in the United States, and, in respect of any offering of notes under Category 2 of Regulation S of the Securities Act, you are not a U.S. person nor are you acting on behalf of a U.S. person and, to the extent you purchase the notes described in the attached document, you will be doing so pursuant to Regulation S under the Securities Act and (2) you consent to delivery of such offering circular and any amendments and supplements thereto by electronic transmission.

You are reminded that this offering circular has been delivered to you on the basis that you are a person into whose possession the attached offering circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the attached offering circular to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licenced broker or dealer and any of the underwriters or any affiliate of the underwriters is a licenced broker or dealer in that jurisdiction, the offering shall be deemed to be made by such underwriter or such affiliate on behalf of HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee-manager of RCS Trust) in such jurisdiction.

The following offering circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee-manager of RCS Trust), The Hongkong and Shanghai Banking Corporation Limited or any other dealers appointed by HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee-manager of RCS Trust) or any person who controls any of them or any director, officer, employee or agent of any of them or affiliate of any of them accepts any liability or responsibility whatsoever in respect of any difference between the offering circular distributed to you in electronic format and the hard copy version available to you on request from HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee-manager of RCS Trust), The Hongkong and Shanghai Banking Corporation Limited or any other dealers appointed by HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee-manager of RCS Trust).

Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

Actions that you may not take: If you receive this document by e-mail, you should not reply by e-mail, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

OFFERING CIRCULAR



HSBC Institutional Trust Services (Singapore) Limited

Company Registration Number: 194900022R
(incorporated in Singapore with limited liability)
(in its capacity as trustee-manager of RCS Trust)

U.S.\$2,000,000,000

Euro Medium Term Note Programme

Under this U.S.\$2,000,000,000 Euro Medium Term Note Programme (the **Programme**, as amended, supplemented or restated), HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee-manager of RCS Trust) (the **Issuer** or the **RCS Trustee-Manager**) may, subject to compliance with all relevant laws, regulations and directives, from time to time issue notes (the **Notes**) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

Notes may be issued in bearer or registered form (respectively, **Bearer Notes** and **Registered Notes**) and will be constituted by a trust deed dated 22 March 2017, as amended, varied or supplemented from time to time (the **Trust Deed**) between the Issuer and The Bank of New York Mellon, London Branch (the **Trustee**). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed U.S.\$2,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*Overview of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer (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 Dealer shall, in the case of an issue of Notes being (or intended to be) subscribed for by more than one Dealer, be to all Dealers agreeing to subscribe for such Notes.

An investment in Notes 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 quotation of any Notes that may 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 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 in this Offering Circular. There is no assurance that the application to the SGX-ST for the listing of the Notes will be approved. Admission to the Official List of the SGX-ST and quotation of any Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, RCS Trust, the Programme or the Notes.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche of Notes (as defined under "*Terms and Conditions of the Notes*"), will be set out in a pricing supplement (the "*Pricing Supplement*").

The Programme provides that Notes 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 Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

Notes issued under the Programme may be rated or unrated. Where an issue of a certain series of Notes is rated, its rating will not necessarily be the same as the rating, if any, applicable to the Programme and (where applicable) such rating will be specified in the relevant Pricing Supplement. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

Each Tranche of Notes of each Series (as defined in "*Form of the Notes*") of Notes in bearer form will be represented on issue by 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**). Notes in registered form will initially be represented by 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**. Global Notes may be deposited on the issue date with a common depositary for Euroclear Bank SA/ NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream Luxembourg**). Global Notes may also be deposited with The Central Depository (Pte) Limited (**CDP**).

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**) or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold or delivered within the United States (or, in certain circumstances, to, or for the account or benefit of, U.S. persons) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Notes are being offered and sold only in offshore transactions as defined in and in reliance on Regulation S under the Securities Act (**Regulation S**).

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

Arranger and Dealer

HSBC

The date of this Offering Circular is 22 March 2017.

The Issuer (in relation to information relating to HSBC Institutional Trust Services (Singapore) Limited (in its personal capacity) (HSBCIT)) accepts responsibility for such information contained in this Offering Circular, and (in relation to all information (other than those relating to HSBCIT)) accepts responsibility for such information contained in this Offering Circular based on confirmations from the Management Committee of RCS Trust.

The Issuer further confirms that, to the best of its knowledge (having taken all reasonable care to ensure that such is the case):

- (a) (in relation to information relating to HSBCIT) such 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; and
- (b) (in relation to all information (other than those relating to HSBCIT)) based on confirmations from the Management Committee of RCS Trust, such 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.

Subject as provided in the relevant pricing supplement document (Pricing Supplement), the only persons authorised to use this Offering Circular in connection with an offer of Notes are the persons named in the relevant Pricing Supplement as the relevant Dealer. This Offering Circular and any other documents or materials in relation to the issue, offering or sale of the Notes have been prepared solely for the purpose of the initial sale by the relevant Dealers of the Notes from time to time to be issued pursuant to the Programme.

Each Tranche of Notes will be issued on the terms set out herein under “*Terms and Conditions of the Notes*”, 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, must be read and construed together with the relevant 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*”.

Copies of Pricing Supplements will be available for inspection from the specified office of the Management Committee of RCS Trust at the address specified below during the hours of 9.30 a.m. to 3.30 p.m. Monday to Friday (excluding public holidays) (save that a Pricing Supplement relating to an unlisted Note will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer).

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.

None of the Arranger, the relevant Dealer, the Trustee or any of the Agents (as defined in the Terms and Conditions of the Notes) has 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 Arranger, the relevant Dealer, the Trustee or any of the Agents as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer in connection with the Programme. No Dealer, the Trustee or any of the Agents accepts any liability in relation to the information contained or incorporated by reference in this Offering Circular or any other information provided by the Issuer in connection with the Programme.

No person is or has been authorised by the Issuer, any relevant Dealer, the Arranger, the Trustee or any of the Agents 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 or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the relevant Dealer, the Arranger, the Trustee or any of the Agents.

Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, any Dealer, the Arranger, the Trustee or any of the Agents that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Notes should purchase any Notes. This Offering Circular does not take into account the objectives, financial situation or needs of any potential investor. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of RCS Trust. Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer, any Dealer, the Arranger, the Trustee or any of the Agents to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer 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. None of the relevant Dealer, the Arranger, the Trustee or any of the Agents undertakes to review the financial condition or affairs of the Issuer and/or RCS Trust during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. Investors should review, *inter alia*, the documents incorporated by reference into this Offering Circular when deciding whether or not to purchase any Notes.

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. None of the Issuer, the Arranger, the Trustee, any Dealer or any of the Agents makes any representation to any investor in the Notes regarding the legality of its investment under any applicable law. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. None of the Issuer, any relevant Dealer, the Arranger, the Trustee or any of the Agents represents that this Offering Circular may be lawfully distributed, or that any Notes 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 assumes any responsibility for facilitating any such distribution or offering. In particular, unless specifically indicated to the contrary in the relevant Pricing Supplement, no action has been taken by the Issuer, any relevant Dealer, the Arranger, the Trustee or any of the Agents which is intended to permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes 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 or any Notes 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. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom), Hong Kong, Japan and Singapore. See "*Subscription and Sale*".

IMPORTANT — EEA RETAIL INVESTORS — If the Pricing Supplement in respect of any Notes includes a legend entitled “Prohibition of Sales to EEA Retail Investors”, the Notes, from 1 January 2018 are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (**MiFID II**); (ii) a customer within the meaning of Directive 2002/92/EC (**IMD**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the **Prospectus Directive**). Consequently no key information document required by Regulation (EU) No 1286/2014 (the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Each of the Arranger, the Dealers, the Trustee and the Agents has received, or will or may receive, fees from the Issuer in connection with its participation in the Programme or any issue of Notes under the Programme and may hold interests in the Notes for its own account.

All references in this document to *U.S. dollars* and *U.S.\$* refer to the lawful currency of the United States of America, and all references in this document to *Singapore dollars* and *S\$* refer to the lawful currency of Singapore. In addition, all references to *Sterling* and *£* refer to pounds sterling and 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.

Presentation of Financial Information

Unless otherwise indicated, the financial information in this Offering Circular relating to RCS Trust has been derived from the audited financial statements of RCS Trust for the financial year ended 31 December 2016 (the “*Financial Statements*”). The financial year of RCS Trust ends on 31 December, and references in this Offering Circular to any specific year are to the 12-month period ended on 31 December of such year. The Financial Statements have been prepared in accordance with the recommendations of statements of RAP 7 issued by the Institute of Singapore Chartered Accountants.

SUITABILITY OF INVESTMENT

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of any relevant indices and financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

FORWARD-LOOKING STATEMENTS

This Offering Circular contains forward-looking statements including, without limitation, words and expressions such as **expect, believe, plan, intend, estimate, project, anticipate, may, will, would, could** or similar words or statements (however, these words are not the exclusive means of identifying forward-looking statements), in particular, in the section entitled “*RCS Trust*” in this Offering Circular in relation to future events, the Issuer, RCS Trust (as defined in the section entitled “*Definitions*”), and any subsidiary (as defined in the section entitled “*Definitions*”) of RCS Trust, for the time being (RCS Trust and its subsidiaries (if any), collectively the **Group**), the Group’s prospects, its expected financial condition, its business strategies, the future developments of the Group’s operations and industry and the future development of the general domestic, regional and global economy.

These statements are based on assumptions regarding the Group’s present and future business strategy and the environment in which it expects to operate in the future. These matters and the Group’s future results could differ materially from those expressed or implied by these forward-looking statements and although these forward-looking statements reflect its current view of future events, they are not a guarantee of future performance or other matters. In addition, the Group’s future performance may be affected by various factors and risks including, without limitation, those discussed in the sections entitled “*Risk Factors*” and “*RCS Trust*”.

Should one or more of these or other risks or uncertainties materialise, or should any underlying assumptions prove incorrect, actual outcomes may vary materially from those indicated. Prospective investors should therefore not place undue reliance on any of these forward-looking statements. Neither the delivery of this Offering Circular (or any part thereof) nor the issue, offering, purchase or sale of any Notes shall, under any circumstances, constitute a continuing representation or create any suggestion or implication that there has been no change in the affairs of the Issuer and/or the Group or any statement of fact or information contained in this Offering Circular since the date of this Offering Circular or the date on which this Offering Circular has been most recently amended or supplemented.

In this Offering Circular, statements of, or references to, intentions of the Issuer or the Group are made as at the date of this Offering Circular. Any such intentions may change in light of future developments.

Each of the Issuer, the Arranger, the Trustee, the relevant Dealers and the Agents expressly disclaims any obligation or undertaking to release, publicly or otherwise, any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer’s expectations with regard thereto or any change in events, conditions, assumptions or circumstances on which any such statement was based or any change in the intentions of the Issuer or the Group.

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In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the relevant Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. 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 is made and, if begun, may cease 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 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.

DEFINITIONS

Authorised Business means:

- (i) the investment in, operation of and/or management of Real Estate and Real Estate Related Assets, including the Properties, and all activities, concerns, functions and matters reasonably incidental thereto;
- (ii) acquisition, ownership, management, operation, finance leasing and leasing of Real Estate and Real Estate Related Assets, including the Properties, and all activities, concerns, functions and matters reasonably incidental thereto; and
- (iii) any business, undertaking or activity incidental to the operation of the business referred to in paragraphs (i) and (ii) of this definition;

CapitaLand means CapitaLand Limited;

Buildings means the buildings in the integrated development erected on the Properties and known as **Raffles City Singapore** comprising (i) an office tower known as **Raffles City Tower**, (ii) a podium block comprising shopping space known as **Raffles City Shopping Centre**, convention space known as **Raffles City Convention Centre** and three basement car parks and (iii) two hotel towers comprising hotels known as **Swissôtel The Stamford** and **Fairmont Singapore** respectively;

CBD means the Central Business District;

CCT means CapitaLand Commercial Trust, a real estate investment trust established in Singapore and constituted by the CCT Trust Deed;

CCT Manager means CapitaLand Commercial Trust Management Limited, as manager of CCT;

CCT Trust Deed means the trust deed constituting CCT, as from time to time altered, modified or added to in accordance with the provisions therein contained and shall include any deed supplemental thereto executed in accordance with the provisions therein contained;

CCT Trustee means HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of CCT or its successor in such capacity;

CDP means The Central Depository (Pte) Limited;

CIS Code means the Code on Collective Investment Schemes issued by the MAS on 23 May 2002 (as last updated on 14 July 2015 and effective on 1 January 2016) pursuant to Section 321 of the SFA;

CMT means CapitaLand Mall Trust, a real estate investment trust established in Singapore and constituted by the CMT Trust Deed;

CMT Manager means CapitaLand Mall Trust Management Limited, as manager of CMT;

CMT Trust Deed means the trust deed constituting CMT, as from time to time altered, modified or added to in accordance with the provisions there contained and shall include any deed supplemental thereto executed in accordance with the provisions therein contained;

CMT Trustee means HSBC Institutional Trust Services (Singapore) Limited acting in its capacity as trustee of CMT or its successor in such capacity;

Downtown Core means the planning area known as the Downtown Core within the Central Area as set out in the Urban Redevelopment Authority Master Plan 2008;

Group means RCS Trust and its subsidiaries, if any;

HSBCIT means HSBC Institutional Trust Services (Singapore) Limited;

IRAS means the Inland Revenue Authority of Singapore;

Issuer means the RCS Trustee-Manager;

Latest Practicable Date means 15 March 2017;

Licences means the licences required for the conduct of the Authorised Business;

Listing Manual means the Listing Manual of the SGX-ST, as amended, varied or supplemented from time to time;

Management Committee means the committee of RCS Trust established as the Management Committee pursuant to the RCS Trust Deed, which performs duties as manager of RCS Trust;

MAS means the Monetary Authority of Singapore;

MRT means Mass Rapid Transit;

NLA means net lettable area;

Properties means the whole of Lots 482M, 483W, 484V all of Town Subdivision 11 together with the Buildings and Subterranean Lots;

Property Funds Appendix means the Property Funds Appendix of the CIS Code issued by the MAS, as varied or supplemented from time to time;

Raffles City Singapore Property means, collectively (i) the whole of Lot 482M of Town Subdivision 11 and (ii) the Subterranean Land Plots;

RAP 7 means the Statement of Recommended Accounting Practise (RAP) 7 “Reporting Framework for Unit Trusts”, issued by the Institute of Singapore Chartered Accountants, which requires that accounting policies adopted should generally comply with the principles relating to recognition and measurement of the Singapore Financial Reporting Standards;

RC Hotels and Convention Centre means the 28-storey twin-tower Fairmont Singapore, the 73-storey Swissôtel The Stamford and the convention centre component of the Raffles City Singapore Property;

RC Hotels and Convention Centre Lease means the lease of the RC Hotels and Convention Centre to RC Hotels (Pte) Ltd expiring on 31 December 2036;

RCS Property Manager means CapitaLand (RCS) Property Management Pte. Ltd.;

RCS Trust means the unlisted special purpose trust constituted by the RCS Trust Deed for the joint acquisition and ownership of RCS by CCT (60.0 per cent. interest) and CMT (40.0 per cent. interest);

RCS Trust Deposited Property means all the assets of RCS Trust, including all its Authorised Investments (as defined in the RCS Trust Deed) for the time being held or deemed to be held upon the trusts of the RCS Trust Deed;

RCS Trust Deed means the trust deed dated 18 July 2006 made between (1) the Issuer, (2) the CCT Trustee, (3) the CMT Trustee, (4) the CCT Manager and (5) the CMT Manager, as amended by the first supplemental deed dated 23 December 2016 made between the same parties, and as amended, varied or supplemented from time to time;

RCS Trustee-Manager means HSBC Institutional Trust Services (Singapore) Limited, in its capacity as the trustee-manager of RCS Trust or its successor in such capacity;

RCS Unitholder(s) means holders of RCS Units;

RCS Unit(s) means the units in RCS Trust;

Real Estate means any land, and any interest, option or other right in or over any land, including without limitation, all machinery, plant and equipment installed in and being integral to the use of any building falling within any land, as well as shares or units in an unlisted entity (whether incorporated or otherwise constituted, in Singapore or elsewhere) whose primary purpose is to hold, directly or indirectly, any of the foregoing. For the purposes of this definition, "land" includes land of any tenure, whether or not held apart from the surface, and buildings or parts thereof (whether completed or otherwise and whether divided horizontally, vertically or in any other manner) and tenements and hereditaments, corporeal and incorporeal, and any estate or interest therein;

Real Estate Related Assets means listed or unlisted debt securities and listed shares of or issued by property companies or corporations, mortgage-backed securities, listed or unlisted units in unit trusts or interests in other property funds and assets incidental to the ownership of Real Estate, including, without limitation, operating equipment, appliances, furniture, fixtures and furnishings and machinery and plant installed or used or to be installed or used in or in association with any Real Estate or any building thereon;

REIT means real estate investment trust;

Relevant Laws, Regulations and Guidelines has the meaning as set out in the RCS Trust Deed and, as at the date of this Offering Circular, means, as applicable in the context, any or all of the SFA, the Listing Manual, the Licences and all applicable laws, regulations, directions, guidelines or requirements imposed by any competent authority, as the same may be modified, amended, supplemented, revised or replaced from time to time;

SFA means the Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time;

SGX-ST means Singapore Exchange Securities Trading Limited;

Subterranean Land Plots means the whole of Lot 80002M of Town Subdivision 11 at Beach Road; and

Subterranean Lots means the two lots at Lot 80002M and Lot 235N-Pt, both of Town Subdivision 11.

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, the relevant Pricing Supplement. The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions of the Notes, in which event, in the case of listed Notes only and if appropriate, a supplemental Offering Circular will be published.

Words and expressions defined in the “Definitions”, “Form of the Notes” and “Terms and Conditions of the Notes” shall have the same meanings in this overview.

Issuer:	HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee-manager of RCS Trust)
Description:	Euro Medium Term Note Programme
Arranger:	The Hongkong and Shanghai Banking Corporation Limited
Permanent Dealer:	The Hongkong and Shanghai Banking Corporation Limited

The Issuer may from time to time terminate the appointment of any Dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Offering Circular to **Permanent Dealer** are to the persons listed above as Permanent Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to **Dealers** are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.

Certain Restrictions:	Each issue of Notes 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.
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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*”.

Trustee:	The Bank of New York Mellon, London Branch
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Issuing and Paying Agent for Notes to be cleared through Euroclear and Clearstream, Luxembourg:	The Bank of New York Mellon, London Branch
Registrar and Transfer Agent for Notes to be cleared through Euroclear and Clearstream, Luxembourg:	The Bank of New York Mellon (Luxembourg) S.A.
Issuing and Paying Agent, CDP Paying Agent, CDP Registrar and CDP Transfer Agent for Notes to be cleared through CDP:	The Bank of New York Mellon, Singapore Branch
Calculation Agent:	The Bank of New York Mellon, London Branch
Programme Size:	Up to U.S.\$2,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Method of Issue and Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis. The Notes 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), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each, a Tranche) on the same or different issue dates. The specific terms of each Tranche (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 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 relevant Pricing Supplement to this Offering Circular (each, the Pricing Supplement).
Currencies:	Notes may be denominated in euro, Sterling, U.S. dollars, Singapore dollars and, subject to any applicable legal or regulatory restrictions, any other currency agreed between the Issuer and the relevant Dealer and specified in the relevant Pricing Supplement.
Maturities:	The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer and specified in the relevant Pricing Supplement, 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 Issuer or the relevant Specified Currency.
Issue Price:	Notes 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:	The Notes will be issued in bearer form or in registered form as described in “ <i>Form of the Notes</i> ”. Registered Notes will not be exchangeable for Bearer Notes and Bearer Notes will not be exchangeable for Registered Notes.
Fixed Rate Notes:	Fixed Rate Notes will bear interest at a fixed rate per annum at the rate specified in the relevant Pricing Supplement. Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer (as specified in the relevant Pricing Supplement) and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.
Floating Rate Notes:	<p>Floating Rate Notes will bear interest at a rate determined separately for each Series as follows:</p> <ul style="list-style-type: none"> (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); (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 Issuer and the relevant Dealer. <p>The margin (if any) relating to such floating rate as may be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes will be specified in the relevant Pricing Supplement.</p> <p>Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.</p>
Dual Currency Notes:	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as may be agreed by the Issuer and the relevant Dealer and specified in the relevant Pricing Supplement.
Zero Coupon Notes:	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest other than in the case of late payment (as indicated in the relevant Pricing Supplement).
Partly Paid Notes:	The Issuer may issue Notes in respect of which the issue price is paid in separate instalments in such amounts and on such dates as the Issuer and the relevant Dealer may agree.
Notes redeemable in instalments:	The Issuer may issue Notes which may be redeemed in separate instalments in such amounts and on such dates as the Issuer and the relevant Dealer may agree.

Other Notes:	The Issuer may agree with any Dealer and the Trustee that Notes may be issued in a form not contemplated by the Conditions of the Notes, in which event the relevant provisions will be included in the relevant Pricing Supplement.
Redemption:	The relevant Pricing Supplement will 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 Issuer and/or the Noteholders upon giving notice to the Noteholders or the 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 Issuer and the relevant Dealer. Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution. See “ <i>Certain Restrictions — Notes having a maturity of less than one year</i> ” above.
Denomination of Notes:	The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer and specified in the relevant Pricing Supplement 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> ” and “ <i>Certain Restrictions — Notes offered in the European Economic Area (EEA) or trading on a regulated market in the EEA</i> ” above.
Taxation:	All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed in Singapore as provided in Condition 8 (<i>Taxation</i>). In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 8 (<i>Taxation</i>), be required to pay additional amounts to cover the amounts so deducted. Notwithstanding any other provision of these Conditions, in no event will the Issuer be required to pay any additional amounts in respect of the Notes, Receipts and Coupons for, or on account of, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the Code) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach thereto.
Negative Pledge:	The terms of the Notes will contain a negative pledge provision as further described in Condition 4 (<i>Negative Pledge</i>).
Cross Default:	The terms of the Notes will contain a cross default provision as further described in Condition 10 (<i>Events of Default and Enforcement</i>).

Status of the Notes:	The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4.1 (<i>Negative Pledge</i>), if applicable) unsecured obligations of the Issuer and will rank <i>pari passu</i> 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.
Rating:	Notes issued under the Programme may be rated or unrated. Where an issue of a certain Series of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme, if any, and (where applicable) such rating will be specified in the relevant Pricing Supplement. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.
Listing and admission to trading:	<p>Application has been made to the SGX-ST for permission to deal in and for quotation of any Notes that may 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 have been admitted to the official list of the SGX-ST. There is no assurance that the application to the SGX-ST will be approved. Notes may also be listed or admitted to trading on or by such other or further stock exchange(s) and/or competent listing authorities as may be agreed between the Issuer and the relevant Dealer and specified in the relevant Pricing Supplement. For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST in a minimum board lot size of S\$200,000 (or its equivalent in other currencies).</p> <p>Notes may be listed, quoted or admitted to trading, as the case may be, on other or further stock exchanges, quotation systems or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed, quoted nor admitted to trading on any stock exchange, quotation system or market may also be issued.</p> <p>The relevant Pricing Supplement will state whether or not the relevant Notes are to be listed, quoted and/or admitted to trading and, if so, on which stock exchanges, quotation systems and/or markets.</p>
Clearing Systems:	Euroclear, Clearstream Luxembourg, CDP and/or any other clearing system as specified in the relevant Pricing Supplement, see " <i>Form of the Notes</i> ".
Governing Law:	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with English or Singapore law, as specified in the relevant Pricing Supplement.

Selling Restrictions:

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

United States Selling Restrictions:

Regulation S, Category 1 or 2 as specified in the relevant Pricing Supplement; TEFRA C/TEFRA D/TEFRA not applicable, as specified in the relevant Pricing Supplement.

RISK FACTORS

Prior to making an investment or divestment decision, prospective investors or existing holders of the Notes should carefully consider all the information set forth in this Offering Circular including the risk factors set out below. These risk factors do not purport to be complete or comprehensive of all risk factors that may be involved in the business, assets, financial condition, performance or prospects of the Issuer, RCS Trust, their respective subsidiaries (if any) or the properties owned by the Group or any decision to purchase, own or dispose of the Notes. Additional risk factors which the Issuer is currently unaware of may also impair the business, assets, financial condition, performance or prospects of the Issuer, RCS Trust or the Group. If any of the following risk factors develop into actual events, the business, assets, financial condition, performance or prospects of the Issuer, RCS Trust or the Group could be materially and adversely affected. In such cases, the ability of the Issuer to comply with its obligations under the Trust Deed and the Notes may be adversely affected.

Limitations of this Offering Circular

This Offering Circular is not, and does not purport to be, investment advice. A prospective investor should make an investment in the Notes only after it has determined that such investment is suitable for its investment objectives. Determining whether an investment in the Notes is suitable is a prospective investor's responsibility, even if the investor has received information to assist it in making such determination. Neither this Offering Circular nor any document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the Notes (nor any part thereof) is intended to provide the basis of any credit or other evaluation and should not be considered a recommendation by the Issuer, the Trustee, any of the Dealer(s), the Arranger or the Agents that any recipient of this Offering Circular or any such other document or information (or such part thereof) should subscribe for or purchase or sell any of the Notes. Each person receiving this Offering Circular acknowledges that such person has not relied on the Issuer, its subsidiaries and associated companies, the Trustee, any of the Dealer(s), the Arranger or the Agents or any person affiliated with each of them in connection with its investigation of the accuracy or completeness of the information contained therein or any additional information considered by it to be necessary in connection with its investment or divestment decision. Any recipient contemplating subscribing for or purchasing or selling the Notes should determine for itself the relevance of the information contained in this Offering Circular and any such other document or information (or any part thereof) and its investment or divestment should be, and shall be deemed to be, based solely on its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of RCS Trust and the Group, the terms and conditions of the Notes and any other factors relevant to its decision, including the merits and risk involved. A prospective investor should consult with its legal, tax and financial advisers prior to deciding to make an investment in the Notes.

Any published unaudited interim financial statements in respect of RCS Trust and its subsidiaries (if any) which are, from time to time, deemed to be incorporated by reference in this Offering Circular will not have been audited or subject to review by the auditors in respect of RCS Trust and its subsidiaries (if any), as the case may be. 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.

This Offering Circular does not purport to contain all information that a prospective investor of the Notes may require in investigating the matters or the parties referred to above, prior to making an investment in the Notes.

RISKS RELATING TO THE NOTES

Limited liquidity of the Notes

There can be no assurance regarding the future development of the secondary market for the Notes issued under the Programme, the ability of the Noteholders, or the price at which the Noteholders may

be able, to sell their Notes. Notes 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 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 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 generally would have a more limited secondary market and greater price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of the Notes.

Although the issue of additional Notes may increase the liquidity of the Notes in general, there can be no assurance that the price of such Notes will not be adversely affected by the issue of such additional Notes in the market.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes 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 risks 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, (2) the Investor's Currency- equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

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.

Fluctuation of the market value of the Notes

Trading prices of the Notes are influenced by numerous factors, including (i) the market for similar securities, (ii) the respective operating results and/or financial conditions of the Group and (iii) the political, economic, financial and any other factors that can affect the capital markets, the industry and the Group. Adverse economic developments in Singapore as well as countries in which RCS Trust operates or has business dealings could have a material adverse effect on the operating results and/or the financial condition of RCS Trust and the market value of the Notes. As a result, the market price of the Notes may be above or below the price at which the Notes were initially issued to the market.

The Issuer may not, in certain circumstances, be able to fulfil its obligations under the Notes

The ability of the Issuer to make payments in respect of the Notes may depend upon the due performance by the other parties to the Transaction Documents of the obligations thereunder including the performance by the Trustee, the relevant Paying Agent and/or the agent bank of their respective obligations. Whilst the non-performance of any relevant parties will not relieve the Issuer of its obligations to make payments in respect of the Notes, the Issuer may not, in such circumstances, be able to fulfil its obligations to the Noteholders and the Couponholders.

Interest rate risk

Noteholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the price of the Notes, resulting in a capital loss for the Noteholders. However, the Noteholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, the price of the Notes may rise. The Noteholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

Inflation risk

Noteholders may suffer erosion on the return of their investments due to inflation. Noteholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Notes. An unexpected increase in inflation could reduce the actual returns.

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 2018 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*”. 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.

Ratings of the Programme or the Notes

The ratings that may be assigned to the Programme or a particular Note issue by the Rating Agencies are based on the views of the Rating Agencies only. The rating assigned to the Programme or any particular Note issue addresses only the Rating Agencies’ views on the likelihood of the timely payment of interest and the ultimate payment of principal by the maturity date of the Notes issued under the Programme. However, future events could have a negative impact on the ratings of the Notes and prospective investors should be aware that there is no assurance that ratings given will continue or that the ratings would not be reviewed, revised, suspended or withdrawn as a result of future events or judgement on the part of the Rating Agencies. Any rating changes that could occur may have a negative impact on the market value of the Notes.

Risks related to the structure of a particular issue of Notes

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

Notes subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes 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 Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. 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 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.

Dual Currency Notes

The Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (a) the market price of such Notes may be volatile;
- (b) they may receive no interest;

- (c) payment of principal or interest may occur at a different time or in a different currency than expected; and
- (d) they may lose all or a substantial portion of their principal.

Partly paid Notes

The Issuer may issue Notes 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 its investment.

Fixed/Floating Rate Notes

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

Notes 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.

Modification, waivers and substitution

The Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Trust Deed. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Conditions of the Notes also provide that the Trustee may, without the consent of the Noteholders, agree to (a) any modification of, or waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or (b) determine without the consent of the Noteholders that any Event of Default or Potential Event of Default shall not be treated as such or (c) the substitution of another company as principal debtor under any Notes in place of the Issuer, in the circumstances described in Condition 15 (*Meetings of Noteholders; Modification; Waiver; Substitution; Indemnification of Trustee*).

The Trustee may request that the Noteholders provide an indemnity and/or security and/or prefunding to its satisfaction

In certain circumstances (including without limitation the giving of notice to the Issuer pursuant to Condition 10.1 of the Notes and the taking of enforcement steps pursuant to Condition 10.2 of the Notes, the Trustee may (at its discretion) request the Noteholders to provide an indemnity and/or security, and/or prefunding to its satisfaction before it takes actions on behalf of Noteholders. The Trustee shall not be obliged to take any such actions if not first indemnified and/or secured and/or prefunded to its satisfaction. Negotiating and agreeing to any indemnity and/or security and/or prefunding can be a lengthy process and may impact on when such actions can be taken. The Trustee may not be able to take actions notwithstanding the provision of an indemnity or security or prefunding

to it in breach of the terms of the Trust Deed constituting the Notes and in such circumstances, or where there is uncertainty or dispute as to the applicable laws or regulations, to the extent permitted by the agreements and the applicable law, it will be for the Noteholders to take such actions directly.

Change of law

The Conditions of the Notes are based on English law or 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 their respective administrative practise after the date of this Offering Circular.

Notes where denominations involve integral multiples; definitive Notes

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination (as described in the relevant Pricing Supplement) plus one or more higher integral multiples of another smaller amount, it is possible that such Notes 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 Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

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

Alternative Investment Fund Managers Directive

As described in the section entitled “Use of Proceeds”, the Issuer and the Group will use the proceeds from each issue of Notes under the Programme to refinance the existing borrowings of the Group, to finance any asset enhancement works initiated in respect of the Group, or to finance the general corporate and working capital purposes in respect of the Group. Under the Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers (the **AIFMD**) and the Commission Delegated Regulation (EU) 231/2013 of 19 December 2012 and relevant guidance issued by the European Securities and Markets Authority, the marketing of an alternative investment fund (an **AIF**) in an EU jurisdiction is prohibited unless certain criteria are met. While the Issuer does not consider itself to be an AIF and does not consider any issue of Notes to be an AIF, there is a risk that due to the Issuer’s use of the proceeds of the Notes, a Note issuance or the Issuer could be characterised as an AIF. In this case, any Note issuances could only be marketed in the EU in accordance with the marketing restrictions applicable to AIFs and any marketing not in accordance with those rules would be a breach of regulatory requirements. Characterisation as an AIF may therefore affect the liquidity of the Notes. It may also affect the regulatory treatment of the Notes for certain types of investors.

Reliance on the procedures of the relevant Clearing System(s)

Notes issued under the Programme will be represented on issue by one or more Global Notes that may be deposited with a common depository for Euroclear and Clearstream, Luxembourg or deposited with CDP (each as defined under “*Form of the Notes*” and each, a **Clearing System**). Except in the circumstances described in each Global Note, investors will not be entitled to receive Notes in definitive form. The relevant Clearing System(s) and their respective direct and indirect participants will maintain records of the beneficial interests in each Global Note held through it. While the Notes are represented by a Global Note, investors will be able to trade their beneficial interests only through the relevant Clearing Systems and their respective participants.

While the Notes are represented by Global Notes, the Issuer will discharge its payment obligation under the Notes by making payments to or to the order of the relevant Clearing Systems. A holder of a beneficial interest in a Global Note must rely on the procedures of the relevant Clearing System and its participants to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Note.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. 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 will not have a direct right under the respective Global Notes to take enforcement action against the Issuer in the event of a default under the relevant Notes but will have to rely upon their rights under the Trust Deed.

RISKS RELATING TO THE RAFFLES CITY SINGAPORE PROPERTY

Risks associated with the operation of the Raffles City Singapore Property

The gross revenue stream from, and the value of, the Raffles City Singapore Property and accordingly, the availability of RCS Trust's cash flow, are subject to a number of factors, including without limitation:

- vacancies following expiry or termination of leases that lead to reduced occupancy rates as this reduces RCS Trust's gross revenue and the ability of RCS Trust to recover certain operating costs through service charges;
- the RCS Property Manager's ability to collect rent from tenants on a timely basis or at all;
- tenants requesting waiver of interest on late payment of rent;
- tenants seeking the protection of bankruptcy laws which could result in delays in receipt of rental payments, inability to collect rentals at all, delays in the termination of a tenant's lease or which could hinder or delay the re-letting of the space in question;
- tenants failing to comply with the terms of their leases or commitments to lease;
- significant decline in the rental rates upon renewal or signing of new rents;
- the amount of rent payable (particularly in the case of tenants whose rents are pegged to their respective sales or revenues);
- the terms on which lease renewals and new leases are agreed being less favourable than current leases;
- the local and international economic climate and real estate market conditions (such as the oversupply of, or reduced demand for, retail and commercial space, the Singapore Government's release of land for a competing property, changes in market rental rates and operating expenses of the Raffles City Singapore Property);
- the amount and extent to which RCS Trust grants rebates on rental rates to tenants due to market pressure;
- competition for tenants from other similar properties which may affect rental income or occupancy at the Raffles City Singapore Property;
- changes in laws and governmental regulations relating to real estate, including those governing usage, zoning, taxes and government charges. Such revisions may lead to an increase in

expenses or unforeseen capital expenditure to ensure compliance. Rights relating to the Raffles City Singapore Property may also be restricted by legislative actions, such as revisions to building standards and laws or city planning laws, or the enactment of new laws relating to condemnation and redevelopment; and

- natural disasters, acts of God, wars, terrorist attacks, riots, civil commotions, widespread communicable diseases and other events beyond the control of RCS Trust.

A substantial number of the Raffles City Singapore Property's commercial and retail leases are for periods of three years, which exposes the Raffles City Singapore Property to significant rates of lease expiries each year

A substantial number of the commercial and retail tenancies for the Raffles City Singapore Property are for periods of three years, which reflects the general practise in the Singapore commercial and retail property market. As a result, the Raffles City Singapore Property experiences lease cycles in which a substantial number of the leases expire each year. This exposes RCS Trust to certain risks, including the risk that vacancies following non-renewal of leases may lead to reduced occupancy levels, which will in turn reduce RCS Trust's gross rental income. If a large number of tenants do not renew their leases in a year with a high concentration of lease expiries, this could affect RCS Trust's gross rental income and consequently, the ability of the Issuer to fulfil its payment obligations under the Notes.

RCS Trust may be affected by a decline in demand for office and retail space in the Raffles City Singapore Property

The Raffles City Singapore Property is located in an area in which there is keen competition for both office and retail tenants. This is largely due to the availability of office buildings and retail space in and around the vicinity. There is a high concentration of shopping centres and/or office buildings in the City Hall area (where the Raffles City Singapore Property is located) as well as in the nearby areas of Raffles Place, Marina Bay and Robinson Road. Competition for tenants from such properties may result in decreasing rental rates and occupancy rates in the Raffles City Singapore Property.

The competition may result in Raffles City Singapore Property having to lower its rental rates or incur additional capital expenditure to improve the property. The competitive business environment of the markets in which the business in connection with Raffles City Singapore operates may also have a detrimental effect on tenants' businesses and, consequently, their ability to pay rent. An inability to compete effectively could affect the cash flow of RCS Trust.

Amid a cautious business outlook, there are also a growing number of tenants and potential tenants gravitating to non-core, office buildings and business parks due to lower rents and ample space options. By moving large swaths of operations outside the CBD, such firms (led by technology, media, banks and research and development companies) are able to defray high operating costs while maintaining a leaner outfit in the CBD. As a result, demand for commercial spaces within the CBD may see a significant decrease.

Disruptions arising from changes in work and lifestyle paradigms may also affect the demand for office and retail spaces. For instance, hot-desking and work from home arrangements allow employers to downsize the office space required and this will consequently result in a decline in the demand for office space. E-commerce in the form of online shopping for goods has also been gaining popularity. This may result in fewer consumers making purchases at brick-and-mortar retail shops which will adversely affect the profits of such businesses, causing a decrease in demand for retail space which may result in a decline in the retail rental rates. If there is lower demand for office and retail space at the Raffles City Singapore Property, this would have an adverse effect on the business, financial condition and results of operations of RCS Trust.

The loss of key tenants or a downturn in the business of any of the tenants of the Raffles City Singapore Property could have an adverse effect on the business, financial condition and results of operations in respect of RCS Trust

Any of the key tenants of Raffles City Singapore may experience a downturn in their business, which may weaken their financial condition and result in their failure to make timely rental payments or result in them defaulting on their tenancies with RCS Trust. Similarly, other tenants may also experience a downturn in their business or face other types of financial distress, such as bankruptcy or insolvency, and may therefore also be unable to make timely rental payments. RCS Trust's claims for unpaid rent against a bankrupt person or insolvent company may not be paid in full. If any tenant defaults or fails to make timely rental payments, RCS Trust may experience delays in enforcing its rights as a landlord and incur time and expenses relating to any eviction proceedings, which may be substantial in the case of key tenants, and RCS Trust may be unable to re-let the space while eviction proceedings are ongoing.

Further, if key tenants decide not to renew their tenancies or to terminate early, RCS Trust may not be able to re-let the space. Space that has been vacated by tenants of a property held by RCS Trust can reduce the demand for and value of the property because of the loss of customer drawing power associated with the departed tenants. Even if key tenants decide to renew or lease new space, the terms of renewals or new tenancies, including the cost of required renovations or concessions to tenants, may be less favourable than current lease terms. If a key tenant terminates its tenancy, or does not renew its tenancy, replacement tenants may not be found in a timely manner or on satisfactory terms or at all. In particular, with one key tenant in each hotel component, the loss of key tenants may have a significant impact with respect to the two hotel components within the Raffles City Singapore Property.

In the event of such occurrences, RCS Trust's financial condition, results of operations, cash flow and the value of its property could decrease and this may consequently affect the Issuer's ability to meet its payment and other obligations under the Notes.

The portfolio of RCS Trust currently consists of one property and is therefore less diversified compared to some other real estate investment vehicles in Singapore that have properties spread over diverse locations or countries or some other investment vehicles that have a more diverse range of investments

The only asset of RCS Trust is the Raffles City Singapore Property. The current investment strategy of investing in one main property development may entail a higher level of risk as compared to some other real estate investment vehicles, such as real estate investment trusts, that have several properties spread over diverse locations or countries or some other investment vehicles that have a more diverse range of investments. The hotel, office and shopping centre properties are also located within the Raffles City Singapore Property. This may entail a higher level of risk as compared to some other property trusts that have properties spread over diverse locations or countries. Any circumstance which adversely affects the operations or business of the Raffles City Singapore Property or its attractiveness to tenants may adversely affect the cash flow of RCS Trust and RCS Trust will not have income from other properties to mitigate any ensuing loss of income arising from such circumstance.

The concentration of investment in a single property asset in Singapore will cause RCS Trust to be susceptible to a prolonged downturn in the property market in Singapore, particularly where there is a decline in the rental rates or the capital value of commercial properties in the property market, which is in turn affected by general economic and business conditions in Singapore. A decline in the rental rates may have an adverse impact on the financial condition of RCS Trust and consequently, the ability of the Issuer to fulfil its payment obligations under the Notes. A decline in the capital value of RCS Trust may correspondingly have an adverse impact on the market price of the Notes.

Physical damage to the Raffles City Singapore Property resulting from fire or other causes may lead to a significant disruption to the business and operation of all the properties at the Raffles City Singapore

Property. Such physical damage to a development would have a greater effect on the results of operations of RCS Trust as compared to other property trusts that have properties spread over more than one development.

The value of the Raffles City Singapore Property may be revalued downwards

There can be no assurance that RCS Trust will not be required to make downward revaluation of the Raffles City Singapore Property in the future. Any fall in the gross revenue or net property income earned from Raffles City Singapore Property may result in its downward revaluation.

In addition, RCS Trust is required to measure investment properties at fair value at each balance sheet date and any change in fair value of the investment properties is recognised in the statements of total return. The changes in fair value may have an adverse effect on RCS Trust's financial results in the financial years where there is a significant decrease in the valuation of the Raffles City Singapore Property which will result in revaluation losses that will be charged to the statements of total return.

Compulsory acquisition of the Raffles City Singapore Property by the Singapore Government

The Land Acquisition Act, Chapter 152 of Singapore, gives the Singapore Government the power to, among other things, acquire any land in Singapore:

- for any public purpose;
- where the acquisition is of public benefit or of public utility or in the public interest; or
- for any residential, commercial or industrial purpose.

In the event of such acquisition, the amount of compensation to be awarded shall take into account, inter alia, the market value of the acquired land as provided in the Land Acquisition Act. Nevertheless, the market value of the land (or part thereof) to be compulsorily acquired may be greater than the compensation paid to RCS Trust in respect of the acquired land, and this may adversely affect the value of the Raffles City Singapore Property.

Material losses in excess of insurance proceeds and uninsured loss in respect of the Raffles City Singapore Property

RCS Trust may suffer material losses in excess of insurance proceeds. RCS Trust has insurance covering its real properties (other than bare land) and other material assets (if any) which is customary for the industry in which RCS Trust operates. The Raffles City Singapore Property could suffer physical damage caused by fire or other causes, resulting in losses (including loss of rent) which may not be fully compensated by insurance. There are, however, certain types of losses (such as those arising from wars, acts of God or other unforeseen losses associated with property ownership) that generally are not insured because they are either uninsurable or not economically insurable. Should an uninsured loss or a loss in excess of insured limits occur, RCS Trust could be required to pay compensation, suffer capital loss invested in the Raffles City Singapore Property, or anticipated future revenue from the Raffles City Singapore Property. RCS Trust would also remain liable for any debt that is with recourse to RCS Trust and may remain liable for any mortgage indebtedness or other financial obligations related to the Raffles City Singapore Property. Any such loss could adversely affect the business, financial condition and results of operations of RCS Trust. No assurance can be given that material losses in excess of insurance proceeds will not occur in the future or that adequate insurance coverage for RCS Trust will be available in the future on commercially reasonable terms or at commercially reasonable rates.

Failure to comply with regulatory requirements

The Raffles City Singapore Property is subject to various regulatory requirements. Failure to comply with these requirements could result in the imposition of fines or other penalties by governmental authorities. There is no assurance that the reduced cash flow available to RCS Trust, as a result of the payment of fines or other penalties, will be sufficient for the Issuer to fulfil its payment obligations under the Notes. RCS Trust may also suffer reputational damage as a result of the imposition of such fines or other penalties which may in turn affect its business, financial condition and results of operations.

Increases in operating and capital expenditure and other expenses

The amount of cash flow available to RCS Trust, and consequently the Issuer's ability to fulfil its payment obligations under the Notes, could be adversely affected if operating and capital expenditure and other expenses increase without a corresponding increase in revenues.

Factors which could increase operating and/or capital expenditure and other costs include any:

- increase in the amount of maintenance, replacement and/or repair works for the Raffles City Singapore Property, particularly as the property gets older;
- increase in property tax assessments and other statutory charges;
- change in statutory laws, regulations or government policies which increase the cost of compliance with such laws, regulations or policies;
- increase in utility charges;
- increase in sub-contracted service costs;
- increases in the rate of inflation;
- increase in insurance premiums;
- costs arising from litigation claims; and
- damage or defect affecting the Raffles City Singapore Property which needs to be rectified, leading to unforeseen capital expenditure.

The global hospitality industry is cyclical and sensitive to external and economic changes

The hotel and convention centre component of the Raffles City Singapore Property was leased to RC Hotels (Pte) Ltd pursuant to the RC Hotels and Convention Centre Lease. The hospitality industry is cyclical and sensitive to external and economic changes. A number of factors, many of which are common to the global hospitality industry and beyond the control of RCS Trust, could affect the financial performance of the RC Hotels and Convention Centre. These factors include the following:

- the condition of, and changes in, the domestic, regional and global economies, including, but not limited to, factors such as the political landscape, environmental conditions and viral epidemics such as the Ebola Virus, severe acute respiratory syndrome (**SARS**), H5N1 avian flu, swine flu (**Influenza A (H1N1)**), the Middle East Respiratory Syndrome (**MERS**), the Zika virus or other communicable diseases that may result in reduced occupancy rates and room rates;
- increased threat of terrorism, terrorist events, airline strikes, hostilities between countries or increased risk of natural disasters that may affect travel patterns and reduce the number of business and commercial travellers and tourists;

- dependence on business and commercial travel, leisure travel and tourism, all of which may affect the length of a traveller's stay;
- increased competition in the Singapore and global hospitality and hospitality-related industry;
- the nature and length of a typical hotel guest's stay — hotel guests typically stay on a short-term basis and there is therefore no assurance of long-term occupancy for hotel rooms;
- increases in operating costs due to inflation, labour costs (including the impact of unionisation), worker's compensation and health-care related costs, utility costs, insurance and unanticipated costs such as acts of nature and their consequences; and
- adverse effects of a downturn in the hospitality industry.

These factors could have an adverse effect on the result of operations of the RC Hotels and Convention Centre, which could in turn have an adverse effect on the business, financial condition and results of operations of RCS Trust.

Further, the hospitality industry in Singapore is competitive. The RC Hotels and Convention Centre faces competition primarily from other similar upscale hotels in their immediate vicinity, and also with other hotels in their geographical market. The level of competition in the Singapore hospitality industry is affected by various factors, including changes in economic conditions, both locally, regionally and globally, changes in local, regional and global populations, the supply and demand for hotel rooms and changes in travel patterns and preferences. Competing hotels and convention centres may offer more facilities at their premises at similar or more competitive prices compared to the facilities offered at the RC Hotels and Convention Centre. Competing hotels and convention centres may also significantly lower their rates or offer greater convenience, services or amenities, to attract more guests. If these efforts are successful, the results of operations at the RC Hotels and Convention Centre may be adversely affected. There can also be no assurance that demographic, geographic or other changes will not adversely affect the convenience or demand for the RC Hotels and Convention Centre.

RCS Trust may not be able to implement its asset enhancement strategy

One of the strategies of RCS Trust for growth is to increase yields and total returns through a combination of the addition and/or optimisation of retail and commercial space at the Raffles City Singapore Property. Any plans for asset enhancement initiatives are subject to known and unknown risks, uncertainties and other factors which may lead to any of such asset enhancement initiatives and/or their outcomes being materially different from the original projections or plans. There can be no assurance that RCS Trust will be able to implement any of its proposed asset enhancement initiatives successfully or that the carrying out of any asset enhancement initiatives will enhance the value of the Raffles City Singapore Property. The proposed asset enhancement initiatives are subject to RCS Trust obtaining the approvals of the relevant authorities. Furthermore, RCS Trust may not be able to carry out the proposed asset enhancement initiatives within a desired timeframe, and any benefit or return which may arise from such asset enhancement initiatives may be reduced or lost. Even if the asset enhancement initiatives are successfully carried out, there can be no assurance that RCS Trust will achieve its intended return or benefit on such asset enhancement initiatives.

The rental income of the Raffles City Singapore Property may be affected by any asset enhancement initiatives

RCS Trust and/or its tenants may from time to time initiate asset enhancement and/or development works on or within the Raffles City Singapore Property. The scheduled completion date(s) of such asset enhancement and/or development works may be delayed. Further, there is no assurance that such plans for asset enhancement and/or development works will materialise, or in the event that they do materialise and are completed, that they will be able to achieve their desired results. The Raffles

City Singapore Property may still be unable to attract new tenants or retain existing tenants, or committed tenants may default on their commitment obligations notwithstanding that significant costs may have been incurred in the course of such asset enhancement and/or development works. In addition, for tenants whose rents are pegged to their respective revenues, if there is a significant decline in sales and revenue of such tenants due to temporary suspension of business or delayed completion of the asset enhancement and/or renovation works, this would also affect the amount of rent payable to RCS Trust. The aforementioned circumstances may adversely affect the business, financial condition and results of operations of RCS Trust, which may in turn affect the Issuer's ability to fulfil its payment obligations under the Notes.

It is also possible that the lease of some units may not be extended upon its maturity or may be renewed on a short term basis to make way for asset enhancement initiatives. As a result, the RCS Trust's income may be adversely affected during the period the asset enhancement initiatives are in progress. The completion of the asset enhancement initiatives may be subject to delays due to unforeseen circumstances and factors beyond RCS Trust's control. Any delay in the completion of the asset enhancement initiatives may have an adverse impact on the RCS Trust's income which may affect the Issuer's ability to meet its payment and other obligations under the Notes.

RCS Trust depends on certain key personnel and the loss of any key personnel may adversely affect its business, financial condition and results of operations

RCS Trust's success depends, in part, upon the continued service and performance of members of the Management Committee of RCS Trust appointed by the CCT Manager on behalf of CCT and the CMT Manager on behalf of CMT and certain key senior personnel. Such personnel may leave the Management Committee of RCS Trust in the future and compete with RCS Trust. The loss of any of these key personnel could have an adverse effect on the business, financial condition and results of operations of RCS Trust.

RCS Trust may be involved in legal and other proceedings from time to time

RCS Trust may be involved from time to time in disputes with various parties such as contractors, sub-contractors, consultants, suppliers, construction companies, purchasers and other partners involved in the asset enhancement and operation of the Raffles City Singapore Property. These disputes may lead to legal and other proceedings, and may cause RCS Trust to suffer additional costs and delays. In addition, RCS Trust 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 result in financial losses and delay the construction or completion of its projects.

RCS Trust is exposed to general risks associated with relying on third-party contractors to provide various services in respect of the Raffles City Singapore Property

RCS Trust engages third-party contractors to provide various services in connection with its commercial, hotel and retail developments, and asset enhancement initiatives, including construction, piling and foundation, building and property fitting-out works, alterations and additions, interior decoration, installation and maintenance of air-conditioning units and lifts, and gardening and landscaping works. RCS Trust is exposed to the risk that a third-party contractor may incur costs in excess of project estimates, which may have to be borne by RCS Trust in order to complete the project. Furthermore, major third-party contractors may experience financial or other difficulties which may affect their ability to carry out construction works, thus delaying the completion of development projects or resulting in additional costs to RCS Trust. There can also be no assurance that the services rendered by the third-party contractors will always be satisfactory or match RCS Trust's targeted quality levels. All of these factors could have an adverse effect on the business, financial condition and results of operations of RCS Trust.

RCS Trust may be indirectly affected by the labour shortage in Singapore

Singapore's retail sector is currently experiencing a labour shortage and this may worsen over time. This may reduce the demand for retail space which may result in a decline in the rental rates and have an adverse effect on the business, financial condition and results of operations of RCS Trust.

RISKS ASSOCIATED WITH THE OPERATIONS OF RCS TRUST

RCS Trust may face risks associated with debt financing

RCS Trust is subject to risks associated with debt financing, including the risk that its cash flow will not be sufficient to fulfil the payment obligations of the Issuer under the Notes. As the Notes are unsecured, the rights of the Noteholders to receive payments under the Notes are also subordinated to the rights of secured creditors (if any).

RCS Trust may in future incur indebtedness which is secured by a lien on the Raffles City Singapore Property or other future properties of RCS Trust. In the event of a default on the Notes or under other indebtedness or upon the winding-up, bankruptcy, liquidation or reorganisation of RCS Trust, any secured indebtedness of third party creditors to the portfolio of RCS Trust would effectively be senior to the Notes to the extent of the value of the portfolio of RCS Trust securing their indebtedness. The Noteholders would only have a senior unsecured claim against those assets to the extent any remain after satisfying the obligations under secured indebtedness.

RCS Trust will also be subject to the risk that it may not be able to refinance existing and/or future borrowings of RCS Trust or that the terms of such refinancing will not be as favourable as the terms of its existing borrowings, particularly in light of any uncertainty and instability in domestic or global market conditions. Factors that could affect the ability of RCS Trust to procure financing include the cyclicity of the property market and market disruption risks which could adversely affect the liquidity, interest rates and the availability of funding sources. 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 one company or sector. In addition, RCS Trust may be subject to certain covenants in connection with any future borrowings that may limit or otherwise adversely affect its operations and its ability to fulfil its payment obligations to Noteholders. Such covenants may also restrict the ability of RCS Trust to undertake capital expenditure or may require it to set aside funds for maintenance or repayment of security deposits. Furthermore, if prevailing interest rates or other factors at the time of refinancing (such as the possible reluctance of lenders to make retail real estate loans) result in higher interest rates upon refinancing, the interest expense relating to such refinanced indebtedness would increase, which would adversely affect the cash flow of RCS Trust and the amount of payments the Issuer could make to Noteholders.

RCS Trust is exposed to interest rate fluctuations

As at the Latest Practicable Date, RCS Trust held debt of approximately S\$1,100 million.

As at 31 December 2016, RCS Trust's debt bears both fixed interest rates and floating interest rates. Consequently, the interest cost to RCS Trust for the floating interest rate debt will be subject to fluctuations in interest rates. RCS Trust has entered into some hedging transactions to partially mitigate the risk of interest rate fluctuations. However, its hedging policy may not adequately cover RCS Trust's exposure to interest rate fluctuations. As a result, its operations or financial condition could potentially be adversely affected by interest rate fluctuations.

There may be potential conflicts between the CCT Manager and the CMT Manager in relation to RCS Trust

The Raffles City Singapore Property is owned through RCS Trust, with CCT and CMT holding interests of 60.0% and 40.0% respectively. The management of RCS Trust is being carried out jointly by

representatives appointed by the CCT Manager, on behalf of CCT, and the CMT Manager, on behalf of CMT, in proportion to their respective interests in RCS Trust. As a result, the ability of these parties to function effectively is predicated on the mutual goals and strategies of the CCT Manager and the CMT Manager. There can be no assurance that conflicts will not arise between the CCT Manager and the CMT Manager. If the synergies between the unitholders of RCS Trust fail and disagreements arise between the relevant parties, the parties may no longer be able to effectively manage Raffles City Singapore Property, and this would have an adverse effect on RCS Trust's business, financial condition and results of operations.

RCS Trust is exposed to general risks associated with the ownership and management of real estate

RCS Trust invests primarily in real estate which entails a higher level of risk as compared to a portfolio which has a diverse range of investments. Real estate investments, particularly investments in high value properties such as the Raffles City Singapore Property, are relatively illiquid. Such illiquidity may affect the ability of RCS Trust to vary its investment portfolio or liquidate part of its properties in response to changes in economic, real estate market or other conditions. For instance, RCS Trust may be unable to liquidate the Raffles City Singapore Property or any other properties it may own in the future on short notice or may be forced to give a substantial reduction in the price that may otherwise be sought for such properties, to ensure a quick sale.

RCS Trust also invests primarily in real estate which entails a higher level of risk as compared to a portfolio which has a diverse range of investments. Its real estate investments are subject to risks incidental to the ownership and management of retail 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 collect rent from tenants due to bankruptcy or insolvency of tenants or otherwise, inability to dispose of major investment properties for the values at which they are recorded in RCS Trust'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, sabotage, property damage, riots, civil commotions, natural disasters, disruption to utilities and other events beyond the control of RCS Trust. RCS Trust'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 government charges. Such revisions may lead to an increase in management expenses or unforeseen capital expenditure 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.

Changes in government legislations, regulations, laws or policies may have an adverse impact on the business, financial condition and results of operations of RCS Trust

RCS Trust is subject to the business risk that there may be changes in laws that reduce its income or increase its costs. For example, there could be changes in tenancy laws that limit RCS Trust's recovery of certain property operating expenses, changes or increases in real estate taxes that cannot be recovered from RCS Trust's tenants or changes in environmental laws that require significant capital expenditure. Additionally, new and revised accounting standards and pronouncements may be issued from time to time. These changes could adversely affect RCS Trust's reported financial results and positions and adversely affect the comparability of RCS Trust's future financial statements with those relating to prior periods.

The property market in Singapore is also subject to government regulations. Such regulations include regulations relating to land and title acquisition, development planning, design and construction as well as mortgage financing and refinancing. In addition to imposing new rules, being the biggest supplier of land, the Singapore government also regulates the supply of land to developers from time to time so as to regulate the demand and supply of property in order to maintain an orderly and stable property market. There is no assurance that any changes in such legislations, regulations or policies imposed

by the Singapore government will not have an adverse effect on the business, financial condition and results of operations of RCS Trust. Also, there can be no such assurance that governments in other countries where RCS Trust may look to undertake property acquisition would not impose similar restrictions on the supply of property.

RISKS ASSOCIATED WITH SINGAPORE AND THE REGION

Uncertainties and instability in global financial and credit markets could adversely affect the business, financial condition and results of operations of RCS Trust as well as the value of the Notes

The Singapore economy is influenced by economic and market conditions in other countries. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including Singapore. A loss of investor confidence in the financial systems of other markets may cause volatility in Singapore's financial markets and, indirectly, in Singapore's economy in general. Any worldwide financial instability could also have a negative impact on Singapore's economy.

The global financial 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. There is a concern that the slowdown in China's economic growth may negatively affect the health of the global economy. This and other events, such as the significant volatility and weak outlook in oil prices, have had significant impact not only on the global capital markets associated with asset-backed securities but also on the global credit and financial markets as a whole. These events could adversely affect RCS Trust, insofar as they result in:

- a negative impact on the ability of the tenants of the Raffles City Singapore Property to pay their rents in a timely manner or continue their leases or tenants requesting rental rebates, thus reducing RCS Trust's cash flow;
- decrease in the valuation of the Raffles City Singapore Property resulting from deteriorating operating cash flow and/or widening capitalisation rates;
- decreases in rental income or occupancy rates;
- an adverse effect on the cost of funding the business of RCS Trust;
- increase in counterparty risk;
- a likelihood that one or more of RCS Trust's lenders or insurers may be unable to honour their commitments to RCS Trust; and
- a change in shopping behaviour, for instance if retail spending in Singapore declines in the midst of economic uncertainty and slower economic growth, which in turn reduces the demand for retail space.

There is still uncertainty as to whether the global economy will worsen, or whether a recovery would be slow and over an extended period of time, the decrease in consumer demand and the impact of the global downturn on the Singapore economy.

The liquidity and the value of the Notes are also sensitive to the volatility of the credit markets and may be adversely affected by future developments. To the extent that the turmoil in the credit market continues and/or intensifies, it may adversely affect the Notes' liquidity and value.

There can be no assurance that the uncertainties and instability in the global markets will not have a substantial adverse effect on the Raffles City Singapore Property or funding sources, and if sustained, will not adversely affect its business, financial condition, results of operations and prospects.

The outbreak of an infectious disease or any other serious public health or environmental concerns in Asia and elsewhere could adversely impact on RCS Trust's business, financial condition and results of operations

Epidemics and other public health or environmental concerns that are beyond the control of RCS Trust may adversely affect Singapore's economy. Singapore faces threats of epidemics such as the Ebola Virus, SARS, H5N1 avian flu, Influenza A (H1N1), MERS, the Zika virus or other communicable diseases in Asia and elsewhere, together with any resulting restrictions on travel and/or imposition of quarantines. Singapore may also be subject to air pollution in the form of haze as and when there are widespread forest fires in Indonesia. Any of these circumstances could adversely affect the retail, tourism and/or hospitality industries in Singapore. As the performance of the Raffles City Singapore Property is dependent on the retail, tourism and/or hospitality industries, any downturn in these industries could adversely impact the revenues and results of RCS Trust. There can be no assurance that any precautionary measures taken against infectious diseases and other public health or environmental concerns would be effective. A future outbreak of an infectious disease or any other serious public health or environmental concerns in Asia could have an adverse effect on RCS Trust's business, financial condition and results of operations.

Terrorist attacks, other acts of violence or war and adverse political developments may affect the business, financial condition and results of operations of RCS Trust

The terrorist attacks in the United States, the United Kingdom, France, Russia, India, Indonesia, Turkey, Syria and China together with the military response by the United States and its allies in Afghanistan and continuing military activities in Iraq and other parts of the Middle East, have resulted in substantial and continuing economic volatility and social unrest in South East Asia. The Middle East and North Africa have also experienced political instability which had led to the collapse of the governments in Tunisia, Egypt and Libya and unrest in Syria. The military presence of extremist Islamist rebel groups in the Middle East which involved foreign nationals from countries outside the Middle East have also led to instability in the Middle East as well as security concerns in countries where such foreign nationals are from.

Any further developments or terrorist activities worldwide could also materially and adversely affect international financial markets and the Singapore economy and may adversely affect the operations, revenues and profitability of RCS Trust. The consequences of any of these terrorist attacks or armed conflicts are unpredictable, and RCS Trust may not be able to foresee events that could have an adverse effect on the business, financial condition and results of operations of RCS Trust.

Occurrence of any acts of God, war and terrorist attacks may adversely and materially affect the business, financial condition and results of operations of RCS Trust

Acts of God, such as natural disasters, are beyond the control of RCS Trust. These may materially and adversely affect the economy, infrastructure and livelihood of the local population. RCS Trust's business and interest payments may be adversely affected should such acts of God occur. There is no assurance that any war, terrorist attack or other hostilities in any part of the world, potential, threatened or otherwise, will not, directly or indirectly, have an adverse effect on the operations, revenues and profitability of RCS Trust. The consequences of any of these acts of God, terrorist attacks or armed conflicts are unpredictable, and RCS Trust may not be able to foresee events that could have an adverse effect on the business, financial condition and results of operations of RCS Trust.

A slowdown in economic growth and other political and economic factors may adversely affect RCS Trust's business, financial condition and results of operations

RCS Trust's operations, and the market price and liquidity of the Notes, may be affected by foreign exchange rates and controls, interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or other developments. A significant change in the Singapore government's policies could adversely affect business and economic conditions generally, and the business, financial condition and prospects of RCS Trust in particular.

RCS Trust is exposed to economic and real estate conditions (including increased competition in the real estate market)

The Raffles City Singapore Property is situated in Singapore and is therefore susceptible to the risk of a downturn in economic and real estate conditions in Singapore. The value of the Raffles City Singapore Property may also be adversely affected by a number of local real estate conditions, such as the attractiveness of competing commercial properties or, for example, if there is an oversupply of commercial space.

There are numerous commercial, business and shopping mall properties in Singapore that compete with the Raffles City Singapore Property in attracting tenants. The income from, and market value of, the Raffles City Singapore Property will be largely dependent on the ability of the Raffles City Singapore Property to compete against such properties in Singapore in attracting and retaining tenants. A decrease in the arrival of tourists and business travellers may reduce the shopper traffic at the Raffles City Singapore Property, which may adversely affect the demand for, and the rental rates of, retail space in the Raffles City Singapore Property. Historical operating results of the Raffles City Singapore Property may also not be indicative of future operating results and the historical market values of the Raffles City Singapore Property may not be indicative of the future market value of the Raffles City Singapore Property. Consequently, the performance of the Raffles City Singapore Property may be adversely affected by a number of local real estate market conditions.

These conditions include (without limitation):

- the specifications of Raffles City Singapore Property;
- the attractiveness of competing retail properties;
- the quality of the Raffles City Singapore Property's existing tenants;
- the supply of commercial and retail space; and
- the demand for commercial and retail space.

If competing properties of a similar type are built in the area where the Raffles City Singapore Property is located or similar properties in its vicinity are substantially upgraded and refurbished, the value and net operating income of the Raffles City Singapore Property could be reduced.

There can be no assurance that prospective or current tenants will not seek leases from other property developments in Singapore or properties in locations outside of Singapore, which could have an adverse effect on the business, financial condition and results of operations of RCS Trust, with a consequential adverse effect on the Issuer's ability to meet its payment obligations under the Notes.

Singapore Financial Reporting Standards differ from those which prospective investors may be familiar with in other countries

The financial statements in respect of RCS Trust have been prepared in accordance with RAP 7 issued by the Institute of Singapore Chartered Accountants, which requires that accounting policies

adopted should generally comply with the principles relating to recognition and measurement of the Singapore Financial Reporting Standards.

RAP 7 and the Singapore Financial Reporting Standards may differ in certain significant respects from International Financial Reporting Standards and other accounting/auditing standards with which prospective investors may be familiar in other countries. No attempt has been made to reconcile any of the information given in this Offering Circular to any other principles or to base it on any other standards.

Accordingly, there may be substantial differences in the results of operations, cash flow and financial position of RCS Trust if financial statements were prepared in accordance with International Financial Reporting Standards or such other accounting/auditing standards.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or issued, or are published or issued from time to time after the date hereof, shall be incorporated by reference in, and form part of, this Offering Circular:

- (a) the most recent audited annual financial statements (consolidated, if applicable) and, if available, the most recent interim and annual financial statements (if any) (whether audited or unaudited) in respect of RCS Trust and its subsidiaries (if any); and
- (b) all supplements or amendments to this Offering Circular circulated by the Issuer 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.

Any published unaudited interim financial statements (if any) in respect of RCS Trust and its subsidiaries (if any) which are, from time to time, deemed to be incorporated by reference in this Offering Circular will not have been audited or subject to review by the auditors in respect of RCS Trust and its subsidiaries (if any), as the case may be. 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 (see “*Risk Factors*”).

Copies of documents incorporated by reference in this Offering Circular can be inspected at the specified office of the Management Committee of RCS Trust.

In addition, Noteholders may request from RCS Trust at #RCS_Bonds@capitaland.com and, upon identification reasonably satisfactory to the Management Committee of RCS Trust, obtain an electronic copy of the most recent audited annual financial statements (consolidated, if applicable) in respect of RCS Trust and its subsidiaries (if any).

The Issuer will, so long as any Note remains outstanding, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Offering Circular which is capable of affecting the assessment of any Notes, prepare a supplement to this Offering Circular or publish a new Offering Circular for use in connection with any subsequent issue of Notes.

FORM OF THE NOTES

The Notes of each Series will be issued in either bearer form, with or without interest 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

The following applies to Notes specified in the relevant Pricing Supplement to be in bearer form. 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 Bearer Global Note**) or, if so specified in the relevant Pricing Supplement, a permanent global note (a **Permanent 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 SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**) or (ii) the Central Depository (Pte) Limited (**CDP**).

Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made against presentation of the Temporary Bearer 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 Bearer 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 (in the case of a Temporary Bearer Global Note delivered to a Common Depository for Euroclear and Clearstream Luxembourg) Euroclear and/or Clearstream Luxembourg has given a like certification (based on the certifications it has received) to the Agent.

On and after the date which is 40 days after a Temporary Bearer Global Note is issued (the **Exchange Date**), interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (a) interests in a Permanent Bearer Global Note of the same Series or (b) for definitive Bearer Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the relevant Pricing Supplement and subject, in the case of definitive Bearer Notes, to such notice period as is specified in the relevant Pricing Supplement), in each case against certification of beneficial ownership as described above unless such certification has already been given, provided that the purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Notes. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer 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 Bearer Global Note will be made to CDP or Euroclear and/or Clearstream, Luxembourg, as applicable, against presentation or surrender (as the case may be) of the Permanent Bearer Global Note without any requirement for certification.

The relevant Pricing Supplement will specify that a Permanent Bearer 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:

- (A) in the case of Notes cleared through Euroclear and/or Clearstream Luxembourg, that:
 - (i) an Event of Default (as defined in Condition 10.1 of the Notes) has occurred and is continuing;

- (ii) the Issuer has been notified that both Euroclear and Clearstream Luxembourg have 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 has in fact done so and no successor or alternative clearing system is available; or
 - (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered if the Bearer Notes represented by the Permanent Global Note were represented in definitive form and a certificate to such effect signed by any authorised signatory of the Issuer is given to the Trustee; and
- (B) in the case of Notes cleared through CDP, that:
- (i) an event of default, enforcement event or analogous event entitling the Trustee to declare the Notes to be due and payable as provided in the Conditions of the Notes has occurred and is continuing;
 - (ii) CDP has closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business and no alternative clearing system is available; or
 - (iii) CDP has notified the 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.

The Issuer will promptly give notice to Noteholders in accordance with Condition 14 of the Notes if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, CDP or Euroclear and/ or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note), or, as the case may be, the Common Depository acting on their behalf, may give notice to the Agent or the CDP Paying Agent (as the case may be) requesting exchange and, in the event of the occurrence of an Exchange Event as described in (A)(iii) above, the Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Agent or the CDP Paying Agent, as the case may be.

The following legend will appear on all Permanent Bearer Global Notes and all definitive 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 (AS DEFINED IN THE INTERNAL REVENUE CODE OF THE UNITED STATES) 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 CDP, Euroclear or Clearstream, Luxembourg, 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

Where a Bearer Global Note is cleared through CDP, if an Event of Default as provided in the Conditions has occurred and is continuing, the Trustee may state in a written notice to the CDP Paying Agent and the 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 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 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 Exchange Date unless the holder elects in such notice that the exchange for such Notes shall no longer take place.

Registered Notes

The following applies to Notes specified in the relevant Pricing Supplement to be in registered form.

The Registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold to persons outside the United States, will be represented by a global note in registered form (a **Registered Global Note** and, together with any Bearer Global Note, the **Global Notes**). Beneficial interests in a Registered Global Note may not be offered or sold within the United States and may not be held otherwise than through Euroclear or Clearstream Luxembourg or CDP.

Registered Global Notes will be deposited with CDP, and registered in the name of CDP or its nominee, or a common depository for, and registered in the name of a nominee of, Euroclear and Clearstream, Luxembourg as specified in the relevant 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 Registered Notes in definitive form.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of any provision to the contrary, be made to the person shown on the Register (as defined in Condition 6.4 (*Payments in respect of Registered Notes*)) as the registered holder of the Registered Global Notes. None of the Issuer, the Trustee, the Registrar or the Agent 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 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 (*Payments in respect of Registered 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:

- (A) in the case of Notes cleared through Euroclear and/or Clearstream Luxembourg, that:
 - (i) an Event of Default has occurred and is continuing;

- (ii) the Issuer has been notified that both Euroclear and Clearstream Luxembourg have 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 have in fact done so and, in any case, no successor or alternative clearing system is available; or
 - (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered if the Notes represented by the Registered Global Notes were represented in definitive form and a certificate to such effect signed by any authorised signatory of the Issuer is given to the Trustee; and
- (B) in the case of Notes cleared through CDP, that:
- (i) an event of default, enforcement event or analogous event entitling the Trustee to declare the Notes to be due and payable as provided in the Conditions of the Notes has occurred and is continuing;
 - (ii) CDP has closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business and no alternative clearing system is available; or
 - (iii) CDP has notified the 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.

The Issuer will promptly give notice to Noteholders in accordance with Condition 14 of the Notes if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, 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), may give notice to the Registrar, requesting exchange and, in the event of the occurrence of an Exchange Event as described in (A)(iii) above, the Issuer may also give notice to the Registrar or the CDP Paying Agent requesting exchange. Any such exchange shall occur not later than ten days after the date of receipt of the first relevant notice by the Registrar, or the CDP Paying Agent, as the case may be (the last date for such exchange, the **Registered Note Exchange Date**).

Transfer of Interests

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interests 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 CDP, Euroclear and/or Clearstream, Luxembourg, in each case to the extent applicable.

Direct Rights in respect of Registered Global Notes cleared through CDP

Where a Registered Global Note is cleared through CDP, if an 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 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 Registered Global Note cleared through CDP may (subject as provided below) elect that Direct Rights under the provisions of the 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 Registered Global Note to or to the order of the CDP Paying Agent for reduction of the nominal amount of Notes represented by the Registered Global 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 CDP Deed of Covenant. Upon each such notice being given, the Registered 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 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 (as defined under “*Terms and Conditions of the Notes*”), the Agent or the CDP 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 which are different from the common code, and ISIN 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), if any, 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 CDP, each person (other than Euroclear and/or Clearstream Luxembourg or CDP or its nominee) who is for the time being shown in the records of Euroclear or of Clearstream Luxembourg or CDP, as the case may be, as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream Luxembourg or CDP, as the case may be, as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save for manifest error) shall be treated by the Issuer, the Trustee and the relevant Agents as the holder of such nominal amount of such Notes for all purpose 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 Issuer through CDP, 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 Trustee and any relevant Agent 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.

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

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

PROHIBITION OF SALES TO EEA RETAIL INVESTORS — The Notes, from 1 January 2018, are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (**MiFID II**); (ii) a customer within the meaning of Directive 2002/92/EC (**IMD**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the **Prospectus Directive**). Consequently no key information document required by Regulation (EU) No 1286/2014 (the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

FORM OF PRICING SUPPLEMENT

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

NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH DIRECTIVE 2003/71/EC FOR THE ISSUE OF NOTES DESCRIBED BELOW

[Date]

HSBC INSTITUTIONAL TRUST SERVICES (SINGAPORE) LIMITED (IN ITS CAPACITY AS TRUSTEE-MANAGER OF RCS TRUST)

Company Registration Number: 194900022R
(incorporated in Singapore with limited liability)

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

under the
U.S.\$2,000,000,000
Euro Medium Term Note Programme

This document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the **Conditions**) set forth in the Offering Circular dated 22 March 2017 (the **Offering Circular**). This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular. Full information on the Issuer 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 22 March 2017 (the **Offering Circular**). This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular, save in respect of the Conditions which are extracted from the Offering Circular dated [original date] and are attached hereto.]

*[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 **Income Tax Act**).*

Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Notes by any *person* who (i) is not resident in Singapore and (ii) 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, 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.]

[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 may need to be £100,000 or its equivalent in any other currency.]

1. Issuer: HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee-manager of RCS Trust)
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)
 (c) Date on which the Notes will be consolidated and form a single Series: The Notes will be consolidated and form a single Series with *[identify earlier Tranches]* on [the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Bearer Global Note for interests in the Permanent Bearer Global Note, as referred to in paragraph [●] below, which is expected to occur on or about *[date]*][Not Applicable]
3. Specified Currency or Currencies: [●]
4. Aggregate Nominal Amount:
 (a) Series: [●]
 (b) Tranche: [●]
5. (a) Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (if applicable) (in the case of fungible issues only)]
 (b) [Private banking rebates: [Yes/Not Applicable][*insert figures or estimates*]
6. (a) Specified Denominations: [●]
Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).

If the Specified Denomination is expressed to be €100,000 or its equivalent and multiples of a lower nominal amount (for example €1,000), insert the following:

“[€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]]¹
9. Interest Basis: [[●] per cent. Fixed Rate]
[[LIBOR/EURIBOR/SIBOR/SOR/CNH HIBOR] +/- [●] per cent. Floating Rate]
[Zero Coupon]
[Dual Currency Interest]
[specify other]
(further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]
[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][Not Applicable]
12. Put/Call Options: [Investor Put]
[Issuer Call]
[(further particulars specified below)]
13. Status of the Notes: Senior Dated

¹ Note that for Renminbi or Hong Kong dollar denominated Fixed Rate Notes where Interest Payment Dates are subject to modification it will be necessary to use the second option here.

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. 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/specify other] in arrears]
(If payable other than annually, consider amending Condition 5 (Interest))
- (b) Interest Payment Date(s): [[●] in each year up to and including the Maturity Date]/
[specify other]²
(N.B. This will need to be amended in the case of long or short coupons)
- (c) Fixed Coupon Amount(s): [●] per Calculation Amount³
- (d) Broken Amount(s): [●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●][Not Applicable]
- (e) Day Count Fraction: [[30/360] [Actual/Actual (ICMA)] [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]
15. 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: [●]

² Note that for certain Renminbi or Hong Kong dollar denominated Fixed Rate Notes the Interest Payment Dates are subject to modification and the following words should be added: "provided that if any Interest Payment Date falls on a day which is not a Business Day, the Interest Payment Date will be the next succeeding Business Day unless it would thereby fall in the next calendar month in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day. For these purposes, "Business Day" means a day, other than a Saturday or a Sunday on which commercial banks in Hong Kong are generally open for business and settlement of [Renminbi/Hong Kong dollar] payments in Hong Kong."

³ For Renminbi or Hong Kong dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification the following alternative wording is appropriate: "Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, with CNY0.005 or above rounded upwards, for the case of Renminbi denominated Fixed Rate Notes, and to the nearest HK\$0.01, with HK\$0.005 or above rounded upwards for the case of Hong Kong dollar denominated Fixed Rate Notes."

- (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: [●]
- (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 Agent): [●]
- (f) Screen Rate Determination:
- (i) Reference Rate: [●]
(*Either LIBOR, EURIBOR, SIBOR, SOR, CNH HIBOR or other, although additional information is required if other —including fallback provisions in the Agency Agreement*)
- (ii) 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 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 the second day prior to the start of each Interest Period if SIBOR or SOR, or the second Hong Kong business day prior to the start of each Interest Period if CNH HIBOR*)
- (iii) 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*)
- (g) ISDA Determination:
- (i) Floating Rate Option: [●]
- (ii) Designated Maturity: [●]
- (iii) 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]

- (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: [●]
16. 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 (*Early Redemption Amounts*) and 7.9 (*Late payment on Zero Coupon Notes*) apply/specify other (*Consider applicable Day Count Fraction if not U.S. dollar-denominated*)]
17. 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 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

18. 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]
- (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 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 Issuer and the Agent or Trustee)
19. Investor Put: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Optional Redemption Date(s): [●]
- (b) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [[●] per Calculation Amount/specify other]
- (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 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 Issuer and the Agent or Trustee)
20. Final Redemption Amount: [[●] per Calculation Amount/specify other/see Appendix]
21. 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 (*Redemption and Purchase — Early Redemption Amounts*)) [[●] per Calculation Amount/specify other/see Appendix]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22. Form of Notes: [Bearer Notes: Temporary Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Notes only upon an Exchange Event]
- [Bearer Notes: Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]
- [Bearer Notes: Permanent Global Note exchangeable for Definitive Notes only upon an Exchange Event]
- [Registered Notes: Registered Global Note ([●]) nominal amount exchangeable for Registered Notes in definitive form only upon the occurrence of an Exchange Event]
- (N.B. Temporary Global Note being exchanged for Definitive Notes on and after the Exchange Date should not be expressed to be applicable if the Specified*

Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000].")

23. Governing Law of Notes: [English/Singapore] Law
24. 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 subparagraphs 15(c) and 17(g) relate)
25. Offshore Renminbi Centre(s): [Hong Kong] [/and] Singapore/other relevant jurisdiction where clearing bank agreements have been established [and a reference to the Offshore Renminbi Centre shall mean[, other than for the purpose of Condition 6.7(b) of the Notes,] a reference to [any] of them]

(N.B this paragraph relates to Conditions 6.1(a), 6.5 and 6.7(b) of the Notes and consideration should be given as to whether the relevant clearing system and the clearing bank agreements have appropriate mechanisms/procedures in place to deal with payments in the relevant offshore Renminbi centres.)
26. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No.]
27. 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 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]

28. Details relating to Instalment Notes:

(a) Instalment Amount(s): [Not Applicable/give details]

(b) Instalment Date(s): [Not Applicable/give details]

29. Other terms or special conditions: [Not Applicable/give details]

DISTRIBUTION

30. Method of distribution: [Syndicated/Non-syndicated]

31. If syndicated, names of Managers: [Not Applicable/give names]

(a) Date of Subscription Agreement: [●]

(b) Stabilising Manager (s) (if any): [Not Applicable/give names]

32. If non-syndicated, name of relevant Dealer: [Not Applicable/give name]

33. U.S. Selling Restrictions: [Reg. S Compliance Category [1/2]; TEFRA D/TEFRA C/TEFRA not applicable]

34. Additional selling restrictions: [Not Applicable/*give details*]
35. Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]

(If the offer of the Notes is concluded prior to 1 January 2018, or on and after that date the Notes clearly do not constitute “packaged” products, “Not Applicable” should be specified. If the offer of the Notes will be concluded on or after 1 January 2018 and the Notes may constitute “packaged” products and no KID will be prepared, “Applicable” should be specified.)

OPERATIONAL INFORMATION

36. Any clearing system(s) other than CDP, Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]
37. Delivery: Delivery [against/free of] payment
38. Additional Paying Agent(s) (if any):
39. ISIN Code:
40. Common Code:
(Insert here any other relevant codes)
41. Ratings: [The Notes to be issued will not be rated/The Notes to be issued will be rated — *give details*]
42. Registrar:
43. Listing: [Singapore Exchange Securities Trading Limited/*specify other/None*]
44. Use of Proceeds: [*Insert as per Offering Circular/other*]

PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for issue and admission to trading on the [Singapore Exchange Securities Trading Limited/*or specify other relevant listing venue*] of the Notes described herein pursuant to the U.S.\$2,000,000,000 Euro Medium Term Note Programme of HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee-manager of RCS Trust).

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

[The Singapore Exchange Securities Trading Limited (the SGX-ST) assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Pricing Supplement. The approval in-principle from, and the admission of the Notes to the Official List of, the SGX-ST are not to be taken as an indication of the merits of the Issuer, RCS Trust, the Programme or the Notes.]

Signed on behalf of HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee-manager of RCS Trust):

By:
Duly authorised

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 Issuer 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 relevant 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 relevant Pricing Supplement (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and Definitive Bearer Note or Definitive Registered Note. Reference should be made to "Form of the Pricing Supplement" 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 HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee-manager of RCS Trust) (the **Issuer** or the **RCS Trustee-Manager**, which expression shall include any successor or permitted assign under the RCS Trust Deed (as defined below)) and constituted by a trust deed (such trust deed as modified and/or supplemented and/or restated from time to time, the **Trust Deed**, and which expression in these Terms and Conditions shall mean:

- (a) if the Notes are specified to be governed by English law in the relevant Pricing Supplement, an English law Trust Deed as modified and/or supplemented and/or restated from time to time dated 22 March 2017 made between the Issuer and The Bank of New York Mellon, London Branch (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 relevant Pricing Supplement, a Singapore law Trust Deed as modified and/or supplemented and/or restated from time to time dated 22 March 2017 made between the Issuer and the Trustee, which incorporates the provisions of the English law Trust Deed dated 22 March 2017 made between the Issuer and the Trustee (subject to certain modifications and amendments required under Singapore law).

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 Registered Global Note).

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an Agency Agreement dated 22 March 2017 (such agency agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) and made between the Issuer, the Trustee, The Bank of New York Mellon, London Branch as issuing and paying agent (the **Issuing and Paying**

Agent, which expression shall include any successor issuing and paying agent) and (where appointed as contemplated therein) as calculation agent, The Bank of New York Mellon, Singapore Branch as the paying agent, registrar and transfer agent in Singapore solely for the purpose and in connection with Notes cleared or to be cleared through The Central Depository (Pte) Limited (**CDP**) (respectively, the **CDP Paying Agent**, the **CDP Registrar** and the **CDP Transfer Agent**, which expression shall include any successor paying agent, registrar and transfer agent) and any other paying agents named therein (together with the Issuing and Paying Agent and the CDP Paying Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents), The Bank of New York Mellon, (Luxembourg) S.A. as registrar (the **Registrar**, which expression shall include any successor registrar) and transfer agent and any other transfer agents named therein (together with the CDP Transfer Agent, the **Transfer Agents**, which expression shall include any additional or successor transfer agents). The Issuing and Paying Agent, CDP Paying Agent, Paying Agents, Registrar, CDP Registrar, Transfer Agents 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 to the **Issuing and Paying Agent** shall 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 all such references shall be construed accordingly.

For the purposes of these Conditions, all references to the **Registrar** shall 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 Registrar and all such references shall be construed accordingly.

For the purposes of these Conditions, all references to the **Transfer Agent** shall 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 Transfer Agent and all such references shall be construed accordingly.

The Pricing Supplement for this Note (or the relevant provisions thereof) is attached to or endorsed on this Note and supplements 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 these Conditions for the purposes of this Note. References to the **relevant Pricing Supplement** are to the Pricing Supplement (or the relevant provisions thereof) attached to or endorsed on this Note.

Interest bearing Definitive Bearer Notes have interest coupons (**Coupons**) and, if indicated in the relevant 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. Registered Notes and Global Notes do not have Receipts, Coupons or Talons attached on issue.

Any reference to **Noteholders** or **holders** in relation to any Notes shall mean, in the case of Bearer Notes, the holders for the time being 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 below. 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. The Trustee acts for the benefit of the Noteholders, the Receiptholders and the Couponholders, in accordance with the provisions of the Trust Deed.

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 with such Tranche of Notes and (b) have the same terms and conditions or terms and conditions identical in all

respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices and save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

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 (such CDP Deed of Covenant as modified and/or supplemented and/or restated from time to time, the **CDP Deed of Covenant**) dated 22 March 2017 and made by the Issuer. The original of the CDP Deed of Covenant is held by CDP.

Copies of the Trust Deed, the Agency Agreement and the CDP Deed of Covenant are available for inspection upon written request during the hours of 9.30 a.m. to 3.30 p.m. (London time) Monday to Friday (excluding public holidays) at the specified office for the time being of the Trustee and at the specified office of each of the Issuing and Paying Agent, the Registrar and the other Paying Agents. Copies of the relevant Pricing Supplement are available for viewing at, and may be obtained from, the specified office of the Management Committee of RCS Trust located at 168 Robinson Road, #30-01, Capital Tower, Singapore 068912 and at the specified office of each of the Issuing and Paying Agent and the Registrar, in the case of Registered Notes, and at the specified office of the other Paying Agents, in the case of Bearer Notes, save that, if this Note is an unlisted Note of any Series, the relevant Pricing Supplement will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the relevant Paying Agent 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, and are bound by, all the provisions of the Trust Deed, the Agency Agreement, and the CDP Deed of Covenant and the relevant 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 relevant 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 relevant Pricing Supplement, the relevant Pricing Supplement will prevail.

1. FORM, DENOMINATION AND TITLE

The Notes are in bearer form or in registered form, as specified in the relevant Pricing Supplement and, in the case of definitive Notes, serially numbered, in the currency (**Specified Currency**) and the denominations (**Specified Denomination(s)**) specified in the relevant Pricing Supplement. Notes of one Specified Denomination may not be exchanged for 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, a Dual Currency Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the relevant Pricing Supplement.

This Note may be 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 relevant Pricing Supplement.

Definitive Bearer Notes are issued with Coupons and, if applicable, Receipts and Talons 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 upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer, the Paying Agents 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 S.A. (**Clearstream, Luxembourg**) or CDP, each person (other than Euroclear or Clearstream, Luxembourg or CDP or its nominee) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg or of CDP, as the case may be, as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg or CDP, as the case may be, 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 manifest error) shall be treated by the Issuer, the Paying Agents, the Registrar, the Transfer Agents, the Trustee and all the other agents of the Issuer and the Trustee 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 (if any) redemption, purchase (if any) and/or any other amounts which accrue or are otherwise payable by the Issuer through CDP, 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, any Paying Agent, any Transfer Agent, the Registrar, the Trustee and all the other agents of the Issuer and the Trustee 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. 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 and CDP as the case may be. References to Euroclear, Clearstream, Luxembourg and/or CDP shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the relevant Pricing Supplement or as may otherwise be approved by the Issuer, the Issuing and Paying Agent, the Trustee and (as applicable) the Registrar.

2. TRANSFERS 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 or CDP (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 Definitive Registered Notes or for a beneficial interest in another Registered Global Note of the same series only in the authorised denominations set out in the relevant Pricing Supplement and only in accordance with the rules and operating procedures for the time being of Euroclear, Clearstream, Luxembourg or CDP (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 CDP or a nominee for Euroclear, Clearstream, Luxembourg (as the case may be)

shall be limited to transfers of such Registered Global Note, in whole but not in part, to (in the case of Notes cleared through Euroclear and/or Clearstream Luxembourg) another nominee of Euroclear or Clearstream, Luxembourg (as the case may be) or to a successor of Euroclear, Clearstream, Luxembourg or CDP (as the case may be) or such successor's nominee.

2.2 Transfers of Definitive Registered Notes

- (a) Subject as provided in Condition 2.3 (*Registration of transfer upon partial redemption*), Condition 2.5 (*Closed Periods*) and Condition 2.6 (*Exchanges and transfers of Registered Notes generally*) below, upon the terms and subject to the conditions set forth in the Agency Agreement and the Trust Deed, a Definitive Registered Note may be transferred in whole or in part (in the Specified Denominations set out in the relevant 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.
- (b) 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 three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and 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 authenticated and delivered or (at the risk of the transferor) sent by uninsured mail 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 the 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 shall 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 (a) during the period of 15 days ending on (and including) the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (b) during the period of 15 days before 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)*), (c) during the period of seven days ending on (and including) any Record Date and (d) if a holder of a Registered Note elects to redeem its Note pursuant to Condition 7.4 (*Redemption at the option of the Noteholders (Investor Put)*) in relation to that Noteholder only, at any time following the giving of notice of such redemption to the Issuer.

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

3.1 Status of the Notes

The Notes and any relative Receipts and Coupons constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4.1 (*Negative Pledge*), if applicable) unsecured obligations of the Issuer and rank *pari passu* 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.

4. NEGATIVE PLEDGE

4.1 The Issuer hereby covenants with the Trustee that so long as any of the Notes remains outstanding (as defined in the Trust Deed) it will not 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 business undertaking, assets or revenues (including any uncalled capital), present or future, to secure any International Investment Securities or to secure any guarantee or indemnity in respect of, any International Investment Securities unless, at the same time or prior thereto, the Issuer's obligations under the Notes, the Receipts, the Coupons and the Trust Deed, (a) are secured equally and rateably therewith to the satisfaction of the Trustee, 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 less beneficial to the Noteholders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

4.2 In the Conditions **International Investment Securities** means any present or future indebtedness in the form of, or represented by, bonds, debentures, notes, loan stock or other securities which are for the time being, or are intended to be quoted, listed, ordinarily dealt in or traded on any stock exchange or over-the-counter or other securities market.

5. INTEREST

5.1 Interest on Fixed Rate Notes

(a) Each Fixed Rate Note bears interest on its outstanding nominal amount 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.

(b) If the Notes are in definitive form, except as provided in the relevant 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 relevant Pricing Supplement, amount to the Broken Amount so specified.

- (c) 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.
- (d) Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the relevant Pricing Supplement, interest shall be calculated in respect of any period by applying the Rate of Interest to:
 - (i) 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
 - (ii) 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.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 5.1:

- (a) if **Actual/Actual (ICMA)** is specified in the relevant 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 relevant 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 (as specified in the Pricing Supplement) 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 (as specified in the Pricing Supplement) that would occur in one calendar year;
- (b) if **30/360** is specified in the relevant 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 relevant 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:

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

(a) Interest Payment Dates

- (i) Each Floating Rate Note bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:
 - (A) the Specified Interest Payment Date(s) in each year specified in the relevant Pricing Supplement; or
 - (B) if no Specified Interest Payment Date(s) is/are specified in the relevant 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 relevant 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. In these Conditions, **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.

If a Business Day Convention is specified in the relevant 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 (*Interest on Floating Rate Notes*) 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 these Conditions, **Business Day** means a day which is:

- (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 (other than TARGET2 System) specified in the relevant Pricing Supplement;
- (B) if TARGET2 System is specified as an Additional Business Centre in the relevant Pricing Supplement, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (the **TARGET2 System**) is open; and
- (C) either (1) in relation to any sum payable in a Specified Currency other than euro and Renminbi, 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); (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open; or (3) in relation to any sum payable in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets are open for business and settlement of Renminbi payments in the Offshore Renminbi Centre(s).

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

(b) Rate of Interest

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

(i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the relevant 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 relevant 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 Issuing and Paying Agent under an interest rate swap transaction if the Issuing and Paying Agent were acting as Calculation Agent (as defined in the Agency Agreement) 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. 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 relevant Pricing Supplement;
- (B) the Designated Maturity is a period specified in the relevant Pricing Supplement; and
- (C) the relevant Reset Date is the day specified in the relevant 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.

(ii) Screen Rate Determination for Floating Rate Notes (**Non-SIBOR**)

Where Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate of Interest is to be determined and Reference Rate is specified as LIBOR or EURIBOR or CNH HIBOR, 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 (being either LIBOR or EURIBOR, as specified in the relevant Pricing Supplement) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) or at approximately 11.15 a.m. (Hong Kong time, in the case of CNH HIBOR) on the Interest Determination Date in question plus or minus (as indicated in the relevant Pricing Supplement) the Margin (if any), all as determined by the Issuing and Paying 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 Issuing and Paying 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.

(iii) Screen Rate Determination for Floating Rate Notes (SIBOR or SOR)

- (A) Where Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate of Interest is to be determined, 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 a benchmark as specified hereon or in any case such other benchmark as specified hereon.

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

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

- (1) the Issuing and Paying 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 ABSIRFIX1 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 relevant Pricing Supplement) the Margin (if any);
- (2) if no such rate appears on Reuters Screen ABSIRFIX1 Page (or such other Relevant Screen Page) or if Reuters Screen ABSIRFIX1 Page (or such other Relevant Screen Page) is unavailable for any reason, the Issuing and Paying Agent will request the Reference Banks to provide the Issuing and Paying 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 interbank 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 four decimal places) of such offered quotations, plus or minus (as indicated in the relevant Pricing Supplement) the Margin (if any) as determined by the Issuing and Paying Agent;
- (3) if on any Interest Determination Date, two but not all the Reference Banks provide the Issuing and Paying Agent with such quotations, the Rate of Interest for the relevant Interest Period shall be determined in accordance with (2) above on the basis of the quotations of those Reference Banks providing such quotations plus or minus (as indicated in the relevant Pricing Supplement) the Margin (if any);
- (4) if on any Interest Determination Date, one only or none of the Reference Banks provides the Issuing and Paying Agent with such quotations, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Issuing and Paying Agent determines to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Issuing and Paying 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 Issuing and Paying Agent with such quotation, the rate per annum which the Issuing and Paying Agent determines to be arithmetic

mean (rounded up, if necessary, to the nearest four decimal places four decimal places) 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 relevant Pricing Supplement) the Margin (if any); and

- (5) If paragraph (4) above applies and the Issuing and Paying Agent determines that fewer than two Reference Banks are quoting the rate as being their cost of funding or quoting the prime lending rates for Singapore Dollars on such Interest Determination Date, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date.

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

- (1) the Issuing and Paying 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 as being the rate which appears on the Reuters Screen ABSFIX1 Page under the caption "SGD SOR rates as of 11:00 hrs London Time" under the column headed "SGD SOR" (or such replacement page thereof for the purpose 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 relevant Pricing Supplement) the Margin (if any);
- (2) if on any Interest Determination Date, no such rate is quoted on the Reuters Screen ABSFIX1 Page (or such other replacement page as aforesaid) or if the Reuters Screen ABSFIX1 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Issuing and Paying Agent will determine the Rate of Interest for such Interest Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to the nearest four decimal places)) for a period equal to the duration of such Interest Period published by a recognised industry body where such rate is widely used (after taking into account the industry practise at that time), or by such other relevant authority as the Issuing and Paying Agent may select plus or minus (as indicated in the relevant Pricing Supplement) the Margin (if any);
- (3) if on any Interest Determination Date the Issuing and Paying Agent is otherwise unable to determine the Rate of Interest under paragraphs (1) and (2) above, the Rate of Interest shall be determined by the Issuing and Paying Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Issuing and Paying 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 an amount equal to the aggregate principal 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 Issuing and Paying 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 four decimal places) 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 relevant Pricing Supplement) the Margin (if any); and

- (4) if paragraph (3) above applies and the Issuing and Paying Agent determines that fewer than two Reference Banks are quoting the rate as being their cost of funding or quoting the prime lending rates for Singapore Dollars on such Interest Determination Date, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date.

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

In the Conditions:

Reference Banks means, in the case of a determination of the SIBOR or the SOR, the principal Singapore offices of each of the three major banks in the Singapore interbank market and, in the case of a determination of CNH HIBOR, the principal Hong Kong office of four major banks dealing in Chinese Yuan in the Hong Kong inter-bank market, in each case selected by the Issuing and Paying Agent in consultation with the Issuer or as specified in the relevant Pricing Supplement;

Reference Rate means the rate specified in the relevant 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 relevant 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
 - (i) If the relevant 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 paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.
 - (ii) If the relevant 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 paragraph (b) 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 Issuing and Paying 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 Issuing and Paying Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to:

- (i) in the case of Floating Rate 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
- (ii) in the case of Floating 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 Floating Rate 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:

- (i) if “**Actual/Actual (ISDA)**” or “**Actual/Actual**” is specified in the relevant 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 relevant Pricing Supplement, the actual number of days in the Interest Period divided by 365;
- (iii) if “**Actual/365 (Sterling)**” is specified in the relevant 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 relevant 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 relevant 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;

(vi) if “**30E/360**” or “**Eurobond Basis**” is specified in the relevant 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;

(vii) if “**30E/360 (ISDA)**” is specified in the relevant 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) Linear Interpolation

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the relevant Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Issuing and Paying Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the relevant Pricing Supplement) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the relevant Pricing Supplement), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Issuing and Paying Agent shall determine such rate at such time and by reference to such sources as it determines appropriate. **Designated Maturity** means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(f) Notification of Rate of Interest and Interest Amounts

The Issuing and Paying Agent or, if applicable, the Calculation 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 and the Trustee and notice thereof to be published on behalf of, and at the expense of, the Issuer, in accordance with Condition 14 (*Notices*) as soon as possible after their determination but in no event later than the fourth Business Day thereafter. 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 to the Issuer and the Trustee and on behalf of, and at the expense of, the Issuer, to the Noteholders in accordance with Condition 14 (*Notices*). For the purposes of this paragraph, the expression **Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in Singapore and (in the case of Notes cleared through Euroclear and Clearstream, Luxembourg) London.

(g) Determination or Calculation by Trustee

If for any reason at any relevant time the Calculation Agent does not determine the Rate of Interest or Calculation Agent does not calculate any Interest Amount in accordance with subparagraph 5.2(b)(i) (*ISDA Determination for Floating Rate Notes*) or subparagraph 5.2(b)(ii) (*Screen Rate Determination for Floating Rate Notes (Non-SIBOR)*) above or as otherwise specified in the relevant Pricing Supplement, as the case may be, and in each case in accordance with paragraph (d) (*Determination of Rate of Interest and calculation of Interest Amounts*) and (e) (*Linear Interpolation*) above, the Trustee shall procure the determination or 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 relevant Pricing Supplement), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Trustee shall procure the calculation or 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.

(h) 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*), whether by the Issuing and Paying Agent, or, if applicable, the

Trustee, shall (in the absence of wilful default, fraud or gross negligence) be binding on the Issuer, the Issuing and Paying Agent, the Trustee, the Transfer Agents (if applicable), the Registrar (if applicable), the CDP Paying Agent (if applicable), the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default, fraud or gross negligence) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Issuing and Paying 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 Other Reference Rates, Partly Paid Notes etc.

- (a) In the case of Notes where the relevant Pricing Supplement identifies that Screen Rate Determination applies to the calculation of interest, if the Reference Rate from time to time is specified in the relevant Pricing Supplement as being other than LIBOR, EURIBOR, CNH HIBOR, SIBOR or SOR, the Rate of Interest in respect of such Notes will be determined as provided in the relevant Pricing Supplement.
- (b) The rate or amount of interest payable in respect of Notes which are not also Fixed Rate Notes or Floating Rate Notes shall be determined in the manner specified in the relevant Pricing Supplement.
- (c) 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 relevant Pricing Supplement.

5.4 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) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Issuing and Paying Agent and notice to that effect has been given to the Noteholders in accordance with Condition 14 (*Notices*).

6. PAYMENTS

6.1 Method of payment

- (a) Subject as provided below:
 - (i) 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, 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);
 - (ii) 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, and;
 - (iii) 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 the Offshore Renminbi Centre(s).

- (b) Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*), and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

6.2 Presentation of Definitive Bearer Notes, Receipts and Coupons

Payments of principal in respect of Definitive Bearer Notes 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)).

Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes (as defined below)) and save as provided in Condition 6.4 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 or Long Maturity Note in definitive bearer form 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.

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 Notes represented by any Bearer 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 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. 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 by the Paying Agent to which it was presented.

6.4 Specific provisions in relation to payments in respect of certain types of Bearer Notes

Payments of instalments of principal (if any) in respect of Definitive Bearer Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 6.1 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 Condition 6.2. Payment of the final instalment will be made in the manner provided in Condition 6.1 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 Condition 6.2. 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.

Upon the date on which any Dual Currency Note in definitive bearer form 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.

6.5 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 of the Paying Agents. 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 business on the business day (being for this purpose a day on which Euroclear, Clearstream, Luxembourg or CDP, as the case may be, are open for business) before the relevant due date (or by such time as Euroclear, Clearstream, Luxembourg or CDP, as the case may be, may determine) 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. 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 and Renminbi) 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); (in the case of a payment in euro) any bank which processes payments in euro; and (in the case of a payment in Renminbi) any bank in the Offshore Renminbi Centre(s) which processes payments in Renminbi in the Offshore Renminbi Centre(s).

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 transfer on the due date to the Designated Account of 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 business on the

business day (being for this purpose a day on which Euroclear, Clearstream, Luxembourg or CDP, as the case may be, are open for business) before the relevant due date (or by such time as Euroclear, Clearstream, Luxembourg or CDP, as the case may be, may determine) 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**). 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.

No commissions or expenses shall be charged to the holders by the Registrar in respect of any payments of principal or interest in respect of Registered Notes.

None of the Issuer, the Trustee, the Paying Agents or any of the other 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.

6.6 General provisions applicable to payments

The holder of a Global Note, shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer 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 or CDP, as the case may be, as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear, Clearstream, Luxembourg or CDP, as the case may be, for his share of each payment so made by the Issuer 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 Bearer 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 Bearer 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, adverse tax consequences to the Issuer.

6.7 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, Receipts or Coupons 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 (other than TARGET2 System) specified in the relevant Pricing Supplement; and
 - (C) if TARGET2 System is specified as an Additional Financial Centre in the relevant Pricing Supplement, a day on which the TARGET2 System is open; 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) in the case of Notes in definitive form only, the relevant place of presentation and (ii) the Offshore Renminbi Centre(s).

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 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

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 will be redeemed by the Issuer at its Final Redemption Amount specified in the relevant Pricing Supplement in the relevant Specified Currency on the Maturity Date specified in the relevant Pricing Supplement.

7.2 Redemption for tax reasons

Subject to Condition 7.5, 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 nor a Dual Currency Interest Note) or on any Interest Payment Date (if this Note is either a Floating Rate Note or a Dual Currency Interest Note), on giving not less than 30 nor more than 60 days' notice to the Trustee and the Issuing and Paying Agent 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 has or will become obliged to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) or increase the payment of such additional amounts as a result of any change in, or amendment to, the laws or regulations of Singapore or any political subdivision or any authority thereof or therein having the power to tax or any change in the application or official interpretation of such laws or regulations or rulings or other administrative announcements, 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 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 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 to make available at its specified office to the Noteholders during the hours of 9.30 a.m. to 3.30 p.m. (London time) Monday to Friday (excluding public holidays) (i) a certificate signed by at least one authorised signatory of the Issuer 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 (ii) an opinion of independent legal or tax advisers of recognised standing to the effect that the Issuer 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, without further enquiry and without liability to any Noteholder, Receiptholder, Couponholder or any other person, 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 (*Redemption for tax reasons*) 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 in the relevant Pricing Supplement, the Issuer may, at its option, having given:

- (a) not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 14 (*Notices*); and
- (b) not less than 15 days before the giving of the notice referred to in (a) above, notice to the Trustee and to the Issuing and Paying Agent 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 relevant 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 relevant Pricing Supplement. In the case of a partial redemption of (i) Definitive Bearer Notes or Definitive Registered Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot, not more than 30 days prior to the date fixed for redemption and (ii) in the case of Redeemed Notes represented by a Global Note, be selected in accordance with the rules of Euroclear and/or Clearstream Luxembourg or CDP, as the case may be. 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.

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

If Investor Put is specified as being applicable in the relevant Pricing Supplement, upon the holder of any Note giving to the Issuer in accordance with Condition 14 (*Notices*) not less than 30 nor more than 60 days' notice the Issuer will, upon the expiry of such notice, redeem 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 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 relevant 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 or CDP, as the case may be, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) during the hours of 9.30 a.m. to 3.30 p.m. (London time) Monday to Friday (excluding public holidays) 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 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 (*Transfers of Definitive Registered Notes*). 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 or Clearstream Luxembourg or CDP, to exercise the right to require redemption of this Note, the holder of this Note must, within the notice period, give notice to the Issuing and Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream Luxembourg or CDP, as the case may be (which may include notice being given on his instruction by Euroclear, Clearstream, Luxembourg or CDP or any common depository, as the case may be for them to the Issuing and Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg or CDP, as the case may be, from time to time.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream Luxembourg or CDP, as the case may be, 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 And Enforcement*), 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)*) and instead to declare such Note forthwith due and payable pursuant to Condition 10 (*Events Of Default And Enforcement*).

7.5 Early Redemption Amounts

For the purpose of Condition 7.2 (*Redemption for tax reasons*) above, Condition 9.1(a) and Condition 10 (*Events Of Default And Enforcement*):

- (a) each Note (other than a Zero Coupon Note) will be redeemed at its Early Redemption Amount; or
- (b) each Zero Coupon Note will be redeemed 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 the Day Count Fraction specified in the relevant Pricing Supplement which will be either (i) 30/360 (in which case the numerator will be 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 will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days 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 will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days 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 will be 365),

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

7.6 Specific redemption provisions applicable to certain types of Notes

The Final Redemption Amount, any Optional Redemption Amount and the Early Redemption Amount in respect of Dual Currency Redemption Notes may be specified in, or determined in the manner specified in, the relevant Pricing Supplement. For the purposes of Condition 7.2, Dual Currency Interest Notes may be redeemed only on an Interest Payment Date.

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the relevant Pricing Supplement. In the case of early redemption, the Early Redemption Amount of Instalment Notes will be determined in the manner specified in the relevant Pricing Supplement.

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

7.7 Purchases

The Issuer 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) at any price in the open market or otherwise. All such Notes may be held, reissued, resold or at the option of the Issuer, surrendered to a Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) for cancellation.

7.8 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 7.7 (*Purchases*) above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Issuing and Paying Agent and cannot be reissued or resold.

7.9 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 Conditions 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 (*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 Issuing and 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

8.1 Payment after Withholding

All payments in respect of the Notes by or on behalf of the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**) imposed or levied by or on behalf of Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:

- (a) by or on behalf of a holder who is subject to such Taxes by reason of his being connected with Singapore otherwise than by reason only of the holding of such Note or Coupon or the receipt of any sums due in respect of such Note or Coupon (including, without limitation, the holder being (1) a resident in Singapore for tax purposes or (2) a permanent establishment in Singapore or (3) a non-resident of Singapore who purchased the Notes using funds from his or its Singapore operations); or
- (b) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days; or
- (c) by or on behalf of a holder who would not be liable or subject to the withholding or deduction by complying with any statutory requirements or by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority.

Notwithstanding any other provision of these Conditions, in no event will the Issuer be required to pay any additional amounts in respect of the Notes, Receipts and Coupons for, or on account of, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

As used herein, 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 a 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 (whether in bearer or registered form), Receipts and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 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 AND ENFORCEMENT

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 to the Issuer that the Notes are, and they shall accordingly forthwith become, immediately due and payable 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) if default is made in the payment in the Specified Currency of any principal or interest due in respect of the Notes or any of them and the default continues for a period of 7 Business Days in the case of principal and 14 Business Days in respect of interest; or
- (b) if the Issuer does not perform or comply with any of its other obligations in the Notes or the Trust Deed (other than the payment obligation in paragraph (a)) which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not in the opinion of the Trustee remedied within 30 days after notice of such default shall have been given to the Issuer by the Trustee; or
- (c) (i) any other present or future indebtedness of RCS Trust for or in respect of moneys borrowed becomes due and payable prior to its stated maturity by reason of event of default or the like (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (iii) the Issuer (in respect of RCS Trust) fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed 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) have occurred equals or exceeds S\$50,000,000 or its equivalent (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 (and notified to the Trustee) on the day on which such indebtedness becomes due and payable or is not paid under such guarantees or indemnity); or
- (d) an order is made or an effective resolution is passed for the winding-up or dissolution or termination of RCS Trust, or the Issuer shall apply or petition for a winding-up or administration order in respect of RCS Trust or RCS Trust ceases or threatens to cease to carry on all or substantially all of its business or operations, save for the purposes of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms previously approved in writing by the Trustee or by an Extraordinary Resolution; or
- (e) if (i) proceedings are initiated against the Issuer (in respect of RCS Trust) under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made (or documents filed with the court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer (in respect of RCS Trust) or RCS Trust or, as the case may be, in relation to the whole or a substantial part of the undertakings or assets of the Issuer (in respect of RCS Trust), or an encumbrancer takes possession of the whole or a substantial part of the undertakings or assets of the Issuer, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertakings or assets of the Issuer (in respect of RCS Trust), and (ii) in any case (other than the appointment of the administrator) is not discharged or stayed within 25 days; or

- (f) if the Issuer initiates or consents to judicial proceedings relating to RCS Trust under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); or
- (g) if any event occurs that under the laws of any Relevant Jurisdiction, has an analogous effect to any of the events referred to in paragraphs (d) to (f) above; or
- (h) any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (1) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Notes and the Trust Deed, (2) to ensure that those obligations are legally binding and enforceable and (3) to make the Notes and the Trust Deed admissible in evidence in the courts of Singapore, is not taken, fulfilled or done; or
- (i) an order is made by any government authority or agency with a view to condemnation, seizure, compulsory acquisition, expropriation or nationalisation of all or any material part of the assets of RCS Trust and such condemnation, seizure, compulsory acquisition, expropriation or nationalisation will have a material adverse effect on the Issuer;
- (j) if:
 - (i) (1) the RCS Trustee-Manager resigns or is removed; (2) an order is made for the winding-up of the RCS Trustee-Manager or a receiver, judicial manager, administrator, agent or person of similar office is appointed in relation to the RCS Trustee-Manager; or (3) there is a declaration, imposition or promulgation in Singapore or in any Relevant Jurisdiction of a moratorium, any form of exchange control or any law, directive or regulation of any agency or the amalgamation, reconstruction or reorganisation of the RCS Trustee-Manager which prevents or restricts the ability of the Issuer to perform its obligations under the Transaction Documents to which it is a party or any of the Notes; and
 - (ii) the replacement or substitute trustee-manager of RCS Trust is not appointed in accordance with the terms of the Deed of Trust dated 18 July 2006 constituting RCS Trust (as amended or supplemented) (the **RCS Trust Deed**);
- (k) any litigation, arbitration or administrative proceeding (other than those which are of a frivolous or vexatious nature) is current or pending (i) to restrain the entry into, exercise of any of the rights and/or the performance or enforcement of or compliance with any of the material obligations of the Issuer under the Transaction Documents to which it is a party or any of the Notes or (ii) which will have a material adverse effect on the Issuer; or
- (l) it is or will become unlawful for the Issuer to perform or comply with one or more of its obligations under any of the Notes or the Trust Deed.

10.2 Enforcement

The Trustee may (but is not obliged to) at any time, at its discretion and without further notice, take such proceedings against the Issuer 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 actions in relation to the Trust Deed, the Notes, the Receipts or the

Coupons unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least 25 per cent. in nominal amount of the Notes then outstanding and (b) 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 unless the Trustee, having become bound so to proceed, fails to do so 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 Issuing and Paying Agent (in the case of Bearer Notes, Receipts or Coupons) or the Registrar (in the case of Registered Notes) 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 may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

12. AGENTS

The names of the initial Paying Agents and their initial specified offices in the case of a Bearer Note and the name and initial specified office of the initial Registrar in the case of a Registered Note are set out below.

The Issuer is entitled, with the prior written approval of the Trustee, to vary or terminate the appointment of any of the Agents and/or appoint additional or other Agents, provided that:

- (a) there will at all times be an Agent, a CDP Paying Agent and a Registrar; and
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent and a Transfer Agent (in the case of Registered Notes) 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.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6.6 (*General provisions applicable to payments*). Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 14 (*Notices*).

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and, in certain circumstances specified therein, of the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Noteholder, Receiptholder or Couponholder. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor 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 any 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 Bearer Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in the relevant place(s) specified in the relevant Pricing Supplement. 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 Bearer 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, a copy of 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 by on behalf of (i) Euroclear and/or Clearstream, Luxembourg or CDP (subject to the agreement of CDP), as the case may be, be substituted for such publication in such newspaper(s) or such mailing the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg or CDP for communication by them to the holders of the Notes or (ii) CDP, be substituted for such publication in such newspaper(s) or such delivery to the holders, (A) the recorded delivery of the relevant notice to the persons shown in the records maintained by the CDP no earlier than three Business Day preceding the date of despatch of such notice as holding interests in the relevant Global Note or (B) if the Notes are listed on a stock exchange or are delivered for trading by another relevant authority, the publication of such notice on the website of such stock exchange. In addition, 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 on which the said notice was given to Euroclear and/or Clearstream, Luxembourg or CDP, as the case may be, or the date of despatch of such notice to the persons shown in the records maintained by CDP or, the date of publication on the stock exchange website.

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 Issuing and 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 Issuing and Paying Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg or CDP, as the case may be, in such manner as the Issuing and Paying Agent, the Registrar and Euroclear and/or Clearstream, Luxembourg or CDP, as the case may be, may approve for this purpose.

15. MEETINGS OF NOTEHOLDERS; MODIFICATION; WAIVER; SUBSTITUTION; INDEMNIFICATION OF TRUSTEE

15.1 Meetings of Noteholders

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 or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Issuer if required in writing by Noteholders holding not less than 20 per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one 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 Conditions, 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, varying the method of calculating the rate of interest payable in respect of the Notes, altering the currency, time or place of payment of the Notes, the Receipts or the Coupons or modifying the provisions concerning the quorum required at any meeting of the Noteholders or the majority required to pass an Extraordinary Resolution), the quorum shall be one 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 one 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 provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of not less than 75 per cent. of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all the Noteholders, whether or not they are present at any meeting, and whether or not they voted on the resolution, and on all Receiptholders and Couponholders.

15.2 Modification, Waiver, Substitution

- (a) 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 of, any of the provisions of the Notes or the Trust Deed, or determine, without any such consent as aforesaid, that any Event of Default (as defined in the Trust Deed) shall not be treated as such, where, in any such case, it is not, in the 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 to correct a manifest error or an error which, in the opinion of the Trustee, is proven or which is made to comply with mandatory provisions of law. Any such modification, authorisation or waiver shall be binding on the Noteholders, the Receiptholders and the Couponholders and, if the Trustee so requires, any such modification shall be notified to the Noteholders in accordance with Condition 14 (*Notices*) as soon as practicable thereafter.
- (b) 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 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 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 subdivision 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 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.

- (c) The Trustee may (subject to any such amendment to the Trust Deed and/or if it is satisfied that to do so would not be materially prejudicial to the interests of Noteholders), without the consent of the Noteholders, Receiptholders or Couponholders, agree with the Issuer to the substitution of the Issuer (or any previous substitute under this Condition) as principal debtor under the Notes, the Receipts, the Coupons and the Trust Deed of another company being any Subsidiary of the Issuer (**Substitute Issuer**), provided that (i) the Notes are unconditionally and irrevocably guaranteed by the Issuer, (ii) execution of a deed or undertaking by the Substitute Issuer under which it agrees to accede to the terms of the Trust Deed, the Notes, the Coupons, the Receipts and the Talons, (iii) the Substitute Issuer providing an undertaking in terms corresponding to Condition 8 (*Taxation*) if the Substituted Issuer is subject to the taxing jurisdiction of a Substitute Territory other than the Issuer's Territory (each as defined in the Trust Deed), (iv) any two directors of the Substitute Issuer certify that the Substitute Issuer is solvent immediately after the substitution, or (v) the Issuer and the Substitute Issuer comply with such other requirements as the Trustee may direct in the interests of the Noteholders. The Trustee may also agree without the consent of Noteholders, Receiptholders or Couponholders to the addition of another company as an issuer of Notes under the Programme and the Trust Deed. Any such addition shall be subject to such other conditions as the Trustee may require. For the avoidance of doubt, in the event of any substitution or replacement of the trustee-manager of RCS Trust by a replacement or substitute trustee-manager appointed in accordance with the RCS Trust Deed (i) Condition 15.2(c) shall not apply, and (ii) the consent of the Trustee, the Noteholders, the Receiptholders and/or Couponholders shall not be required.

15.3 Indemnification of the Trustee

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 and/or any of its subsidiaries to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any of its subsidiaries, (b) to exercise and enforce its rights, comply with its obligations, and perform its duties, under or in relation to any such transaction or, as the case may be, any such trusteeship without regard to the interests of or the 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.

16. 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 the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes.

17. 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 relevant 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 relevant 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. LIABILITY OF THE ISSUER

- 18.1 Notwithstanding any provision to the contrary in the Trust Deed, the Notes, the Receipts or the Coupons, the Trustee, the Noteholders, the Receiptholders and the Couponholders agree and acknowledge that HSBC Institutional Trust Services (Singapore) Limited (**HSBCIT**) has entered into the Trust Deed, the Notes, the Receipts and the Coupons only in its capacity as trustee-manager of RCS Trust and not in its personal capacity and all references to the "Issuer" and the "RCS Trustee-Manager" in the Trust Deed, the Notes, the Receipts and the Coupons shall be construed accordingly. As such, notwithstanding any provision to the contrary in the Trust Deed, the Notes, the Receipts or the Coupons, HSBCIT has assumed all obligations under the Trust Deed, the Notes, the Receipts and the Coupons only in its capacity as trustee-manager of RCS Trust and not in its personal capacity and any liability of or indemnity, covenant, undertaking, representation and/or warranty given by the Issuer under the Trust Deed, the Notes, the Receipts or the Coupons is given by HSBCIT in its capacity as trustee-manager of RCS Trust and not in its personal capacity and any power or right conferred on any receiver, attorney, agent and/or delegate by the Issuer is limited to the assets of RCS Trust over which HSBCIT in its capacity as trustee-manager of RCS Trust has recourse and shall not extend to any personal or other assets of HSBCIT or any assets held by HSBCIT in its capacity as trustee or trustee-manager of any other trust or real estate investment trust. Any obligation, matter, act, action or thing required to be done, performed or undertaken or any covenant, representation, warranty or undertaking given by the Issuer under the Trust Deed, the Notes, the Receipts or the Coupons shall only be in connection with matters relating to RCS Trust (and shall not extend to the obligations of HSBCIT in respect of any other trust or real estate investment trust of which it is trustee or trustee-manager). The foregoing shall not restrict or prejudice the rights or remedies of the Trustee, the Noteholders, the Receiptholders and the Couponholders under law or equity in connection with, or relieve or discharge HSBCIT from, any fraud, wilful default, or breach of trust of HSBCIT where it fails to exercise the degree of care and diligence required of a trustee-manager under the Relevant Laws, Regulations and Guidelines (as defined in the RCS Trust Deed).
- 18.2 Notwithstanding any provision to the contrary in the Trust Deed, the Notes, the Receipts or the Coupons, the Trustee, the Noteholders, the Receiptholders and the Couponholders hereby acknowledge and agree that the obligations of the Issuer under the Trust Deed, the Notes, the Receipts and the Coupons will be solely the corporate obligations of HSBCIT and that the Trustee, the Noteholders, the Receiptholders and the Couponholders shall not have any recourse against the shareholders, directors, officers or employees of HSBCIT for any claims, losses, damages, liabilities or other obligations whatsoever in connection with any of the transactions contemplated by the provisions of the Trust Deed, the Notes, the Receipts or the Coupons. The foregoing shall not restrict or prejudice the rights or remedies of the Trustee, the Noteholders, the Receiptholders and the Couponholders under law or equity in connection with, or relieve or discharge HSBCIT from, any fraud, wilful default, or breach of trust of HSBCIT where it fails to exercise the degree of care and diligence required of a trustee-manager under the Relevant Laws, Regulations and Guidelines.
- 18.3 For the avoidance of doubt, any legal action or proceedings commenced against the Issuer whether in Singapore or elsewhere pursuant to the Trust Deed, the Notes, the Receipts or the Coupons shall be brought against HSBCIT in its capacity as trustee-manager of RCS Trust and not in its personal capacity. The foregoing shall not restrict or prejudice the rights or remedies of the Trustee, the Noteholders, the Receiptholders and the Couponholders under law or equity in connection with, or relieve or discharge HSBCIT from, any fraud, wilful default, or breach of trust of HSBCIT where it fails to exercise the degree of care and diligence required of a trustee-manager under the Relevant Laws, Regulations and Guidelines.

18.4 This Condition 18 shall survive the termination or rescission of the Trust Deed, the redemption or cancellation of the Notes, the Receipts and/or the Coupons and/or the resignation or removal of the Issuer.

18.5 The provisions of this Condition 18 shall apply, *mutatis mutandis*, to any certificate, notice or other document signed or entered into by the Issuer under or pursuant to the Trust Deed, the Notes, the Receipts or the Coupons as if expressly set out therein.

19. GOVERNING LAW AND SUBMISSION TO JURISDICTION

19.1 Governing law

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

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

The Agency Agreement is governed by, and shall be construed in accordance with, English 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 relevant Pricing Supplement, the English courts; or
- (b) if the Notes are specified to be governed by Singapore law in the relevant Pricing Supplement, the courts of Singapore,

(the **Relevant Courts**) are to have 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 exclusive jurisdiction of the Relevant Courts.

The Issuer hereby irrevocably 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 relevant Pricing Supplement, the Issuer irrevocably appoints TMF Global Services (UK) Limited at its registered office at 6 St. Andrew Street, 5th Floor, London EC4A 3AE as its agent for service of process, and undertakes that, in the event of TMF Global Services (UK) Limited ceasing so to act or ceasing to be registered in England, they will appoint another person 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.

USE OF PROCEEDS

The Issuer will use the proceeds from each issue of Notes under the Programme to refinance the existing borrowings of the Group, to finance or refinance any asset enhancement works or capital expenditure of the Group, to finance the general corporate and working capital purposes in respect of the Group or for the purposes as specified in the relevant Pricing Supplement.

RCS TRUST

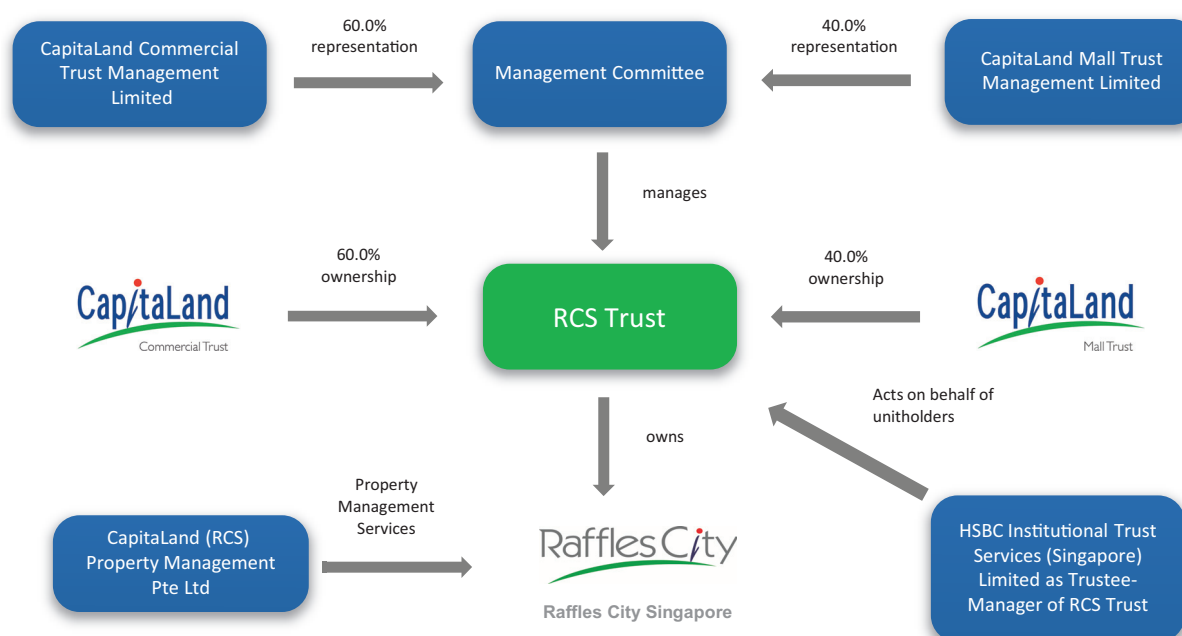
Overview of RCS Trust

RCS Trust is an unlisted special purpose trust constituted by the RCS Trust Deed and is principally regulated by the RCS Trust Deed. RCS Trust was established in 2006 with the objectives of, inter alia, owning and investing in real estate and real estate-related assets that are income-producing. As at the date of this Offering Circular, RCS Trust owns Raffles City Singapore. Please see the section “The Raffles City Singapore Property” for details on the property.

Ownership and Structure of RCS Trust

As at the date of this Offering Circular, 60.0 per cent. of RCS Trust is held by CCT while the remaining 40.0 per cent. of RCS Trust is held by CMT.

Structure of RCS Trust



Overview of CCT

CCT was listed on the SGX-ST on 11 May 2004 and was created through a distribution in specie by CapitaLand to its shareholders. CCT is the first and largest commercial REIT on the SGX-ST with a market capitalisation of approximately S\$4.4 billion as at 31 December 2016.

CCT is a Singapore-based REIT established with the objective to own and invest in income-producing commercial real estate and real estate-related assets. As at the date of this Offering Circular, CCT owns a portfolio of ten prime commercial properties in the central area of Singapore, including through joint ventures. The ten properties comprise of Capital Tower, CapitaGreen (100.0 per cent. interest held through MSO Trust), Six Battery Road, One George Street, Raffles City Singapore (60.0 per cent. interest held through RCS Trust), HSBC Building, Twenty Anson, Bugis Village, Wilkie Edge and Golden Shoe Car Park.

Overview of CMT

CMT is the first REIT listed on the SGX-ST and was listed in July 2002. CMT is also the largest retail REIT by market capitalisation, at approximately S\$6.7 billion (as at 31 December 2016), in Singapore.

CMT owns and invests in quality income-producing assets which are used, or predominantly used, for retail purposes primarily in Singapore. As at 31 December 2016, CMT's portfolio comprised a diverse list of more than 2,900 leases with local and international retailers and achieved a committed occupancy of 98.5 per cent. As at the date of this Offering Circular, CMT owns 16 quality shopping malls, which are strategically located in the suburban areas and Downtown Core of Singapore. The malls comprise Tampines Mall, Junction 8, Funan (formerly known as Funan DigitalLife Mall), IMM Building, Plaza Singapura, Bugis Junction, Sembawang Shopping Centre, JCube, Raffles City Singapore (40.0 per cent. interest held through RCS Trust), Lot One Shoppers' Mall, 90 out of 91 strata lots in Bukit Panjang Plaza, The Atrium@Orchard, Clarke Quay, Bugis+, Westgate (30.0 per cent. interest held through Infinity Mall Trust) and Bedok Mall (100.0 per cent. interest held through Brilliance Mall Trust). As at 31 December 2016, CMT also owns 122.7 million units (representing an approximate 14.11 per cent. interest) in CapitaLand Retail China Trust, the first China shopping mall REIT listed on the SGX-ST; CapitaLand Retail China Trust was listed in December 2006.

Both the managers of CCT and CMT are indirect wholly-owned subsidiaries of CapitaLand, one of Asia's largest real estate companies headquartered and listed in Singapore.

Overview of the RCS Trustee-Manager

The trustee-manager of RCS Trust is HSBCIT. HSBCIT is a company incorporated in Singapore and registered as a trust company under the Trust Companies Act, Chapter 336 of Singapore. It is approved to act as a trustee for authorised collective investment schemes under the SFA. As at the date of this Offering Circular, HSBCIT has a paid-up capital of S\$5,150,000 and its registered address is 21 Collyer Quay, #13-02, HSBC Building, Singapore 049320.

HSBCIT is an indirect wholly-owned subsidiary of HSBC Holdings plc, a public company incorporated in England and Wales.

Please also refer to the sections below on "Powers, Duties and Obligations of the RCS Trustee-Manager" and "Retirement and Replacement of the RCS Trustee-Manager".

Overview of the Management Committee

Pursuant to the RCS Trust Deed, the RCS Trustee-Manager has appointed the Management Committee as its agent and to act on its behalf to exercise all of the RCS Trustee-Manager's powers and discretions and to perform all of its obligations under the RCS Trust Deed as the manager of RCS Trust in accordance with the terms and conditions of the RCS Trust Deed or as laid down from time to time by the RCS Trustee-Manager or as otherwise agreed in writing between the RCS Trustee-Manager, the CCT Manager, the CCT Trustee, the CMT Manager and the CMT Trustee. Subject to matters requiring the unanimous approval of the RCS Unitholders and except as otherwise agreed between the RCS Unitholders, all resolutions of the Management Committee shall be passed by a simple majority of votes of those present and voting at a Management Committee meeting. Pursuant to the RCS Trust Deed, the Management Committee has five members which comprises three persons appointed by the CCT Manager on behalf of CCT and two persons appointed by the CMT Manager on behalf of CMT; this includes the senior management team of each of the CCT Manager and the CMT Manager. Under the RCS Trust Deed, the CCT Manager and the CMT Manager shall procure that members of the Management Committee appointed by each of them respectively observe the obligations and restrictions to which the Management Committee is bound under the terms of the RCS Trust Deed. The composition of the Management Committee shall at all times proportionately reflect (as nearly as possible), in relation to any RCS Unitholder and at any time, the total number of RCS Units registered in the name of that RCS Unitholder at that time expressed as a percentage of all the issued RCS Units as at that time.

Each RCS Unitholder shall also have the right to remove at any time from the Management Committee such person appointed by that RCS Unitholder as a member of the Management Committee and to determine the period which such person shall be a member of the Management Committee. Whenever a member of the Management Committee ceases to be part of the Management Committee, the RCS Unitholder which had appointed such member or would be entitled to appoint him or her under the RCS Trust Deed shall appoint forthwith a further member of the Management Committee in substitution thereof.

Restrictions

Subject to and without prejudice to any additional requirements specified by the Relevant Laws, Regulations and Guidelines, the RCS Trust Deed provides for certain matters that shall require the unanimous approval of RCS Unitholders, including but not limited to:

- any amendment of the provisions of the RCS Trust Deed;
- cessation or change of the Authorised Business;
- liquidation or termination of RCS Trust;
- issues of securities (including any options over such securities) by RCS Trust;
- incurring of borrowings by RCS Trust to a level such that the gearing of RCS Trust exceeds 40 per cent.;
- repayment of borrowings by RCS Trust to a level such that the gearing of RCS Trust falls below 35 per cent.; and
- creation of any security or charge over the RCS Trust Deposited Property or any part thereof.

The RCS Units and RCS Unitholders

The rights and interests of RCS Unitholders are set out in the RCS Trust Deed.

The terms and conditions of the RCS Trust Deed shall be binding on each RCS Unitholder and all persons claiming through such RCS Unitholder as if such person had been a party to the RCS Trust Deed and as if the RCS Trust Deed contained covenants on the part of each RCS Unitholder to observe and be bound by the provisions of the RCS Trust Deed and an authorisation by each RCS Unitholder to do all such acts and things as the RCS Trust Deed may require the RCS Trustee-Manager to do.

Each RCS Unit represents an undivided interest in RCS Trust. A RCS Unitholder has no equitable or proprietary interest in the underlying assets of RCS Trust and is not entitled to the transfer to it of any asset (or any part thereof) or of any real estate, any interest in any asset and real estate-related assets (or any part thereof) of RCS Trust. A RCS Unitholder's right is limited to the right to require due administration of RCS Trust in accordance with the provisions of the RCS Trust Deed, including, without limitation, by suit against the RCS Trustee-Manager.

Under the RCS Trust Deed, each RCS Unitholder acknowledges and agrees that he will not commence or pursue any action against the RCS Trustee-Manager seeking an order for specific performance or for injunctive relief in respect of the assets of RCS Trust (or any part thereof) and waives any rights it may otherwise have to such relief. If the RCS Trustee-Manager breaches or threatens to breach its duties or obligations to a RCS Unitholder under the RCS Trust Deed, that RCS Unitholder's recourse against the RCS Trustee-Manager is limited to a right to recover damages or compensation from the RCS Trustee-Manager in a court of competent jurisdiction, and the RCS Unitholder acknowledges and agrees that damages or compensation is an adequate remedy for such breach or threatened breach.

Further, a RCS Unitholder may not interfere or seek to interfere with the rights, powers, authority or discretion of the RCS Trustee-Manager, exercise any right in respect of the assets of RCS Trust or any part thereof or lodge any caveat or other notice affecting the assets of RCS Trust (or any part thereof), or require that any assets forming part of the assets of RCS Trust (or any part thereof) be transferred to a RCS Unitholder.

Amendment of the RCS Trust Deed

Subject to the Relevant Laws, Regulations and Guidelines, the RCS Trustee-Manager shall be entitled to modify, alter or add to the provisions of the RCS Trust Deed in such manner and to such extent the RCS Trustee-Manager may consider expedient for any purpose (i) in the event that any law, regulation, direction, guideline or requirement shall be passed which renders it necessary or (ii) with the unanimous approval of the RCS Unitholders and the prior approval of the parties to the RCS Trust Deed.

Powers, Duties and Obligations of the RCS Trustee-Manager

The RCS Trustee-Manager's powers, duties and obligations are set out in the RCS Trust Deed. The powers and duties of the RCS Trustee-Manager include:

- acting as trustee-manager of RCS Trust and, in such capacity, ensuring that the transactions it enters into are in accordance with the provisions of the RCS Trust Deed, for example, by satisfying itself that transactions it enters into for and on behalf of RCS Trust with a related party of the RCS Trust are conducted on normal commercial terms, are not prejudicial to the interests of RCS Trust and the RCS Unitholders, and in accordance with all applicable requirements of the Property Funds Appendix and/or the Listing Manual and all other applicable laws, regulations and guidelines relating to the transaction in question;
- holding the assets of RCS Trust on the trusts contained in the RCS Trust Deed for the benefit of the RCS Unitholders; and
- exercising all the powers conferred on it under the RCS Trust Deed, including powers that are incidental to the ownership of the assets of RCS Trust.

The RCS Trustee-Manager has general powers of management over the assets of RCS Trust and such powers are to be exercised for the benefit of the RCS Unitholders. The RCS Trustee-Manager sets the strategic direction of RCS Trust and undertakes management activities relating to the acquisition, divestment or enhancement of assets of RCS Trust in accordance with its stated investment policy. The RCS Trustee-Manager is responsible for all regular communications with the RCS Unitholders.

The RCS Trustee-Manager has covenanted in the RCS Trust Deed that it will use its best endeavours to carry on and conduct its business in a proper and efficient manner in the best interests of the RCS Unitholders as a whole and that it will ensure that RCS Trust and the Authorised Business of RCS Trust is carried on and conducted in a proper and efficient manner in accordance with Relevant Laws, Regulations and Guidelines and the RCS Trust Deed.

In the exercise of its powers, the RCS Trustee-Manager may acquire or dispose of any real or personal property, borrow or incur any liability, create any security in respect of any borrowing or any liability and encumber any asset in accordance with the terms of the RCS Trust Deed. Although the RCS Trustee-Manager may incur borrowings by RCS Trust, it may not (i) incur any borrowings by RCS Trust to a level such that the aggregate leverage of RCS Trust exceeds 40.0 per cent. of the value of the RCS Trust Deposited Property, (ii) repay any borrowings by RCS Trust to a level such that the aggregate leverage of RCS Trust falls below 35.0 per cent. of the value of the RCS Trust Deposited Property and (iii) create any security over the RCS Trust Deposited Property (or any part thereof), in each case, without the unanimous approval of the RCS Unitholders.

The RCS Trustee-Manager may, subject to the provisions of the RCS Trust Deed and with the unanimous approval of the RCS Unitholders, appoint, remove or change any person or persons (including independent financial advisers, auditors, approved valuers, accountants, surveyors and contractors) to exercise any of its powers or perform its obligations as manager of RCS Trust under the RCS Trust Deed.

The RCS Trustee-Manager shall at all times do or refrain from doing all such things as the MAS or, as the case may be, any competent authority may direct and shall at all times comply with the Relevant Laws, Regulations and Guidelines.

The RCS Trustee-Manager shall have absolute and uncontrolled discretion in the exercise of all the trusts, powers, authorities and discretions vested in it, subject to the provisions of the RCS Trust Deed, and the RCS Trustee-Manager is not liable to any RCS Unitholder for any loss, costs, damages or inconvenience that may result from the exercise or non-exercise thereof, in the absence of fraud, wilful default or breach of trust where the RCS Trustee-Manager fails to exercise the degree of care and diligence required of a trustee-manager under the Relevant Laws, Regulations and Guidelines. Any liability incurred and any indemnity to be given by the RCS Trustee-Manager is limited to the assets of RCS Trust over which the RCS Trustee-Manager has recourse. The RCS Trust Deed also contains certain indemnities in favour of the RCS Trustee-Manager under which it will be indemnified out of the assets of RCS Trust for liability arising in connection with certain acts or omissions provided that the RCS Trustee-Manager has acted without fraud, wilful default or breach of trust where the RCS Trustee-Manager failed to exercise the degree of care and diligence required of it having regard to the provisions of the RCS Trust Deed.

Retirement and Replacement of RCS Trustee-Manager

The RCS Trustee-Manager may resign or be replaced only in accordance with the Relevant Laws, Regulations and Guidelines and the resignation by the RCS Trustee-Manager shall be subject to the appointment of another corporation as the trustee-manager of RCS Trust and subject to such corporation entering into a deed supplemental thereto providing for such appointment.

Powers, Duties and Obligations of the RCS Property Manager

Raffles City Singapore commenced operations in 1986 and has been managed by the RCS Property Manager since 1 September 2006. The RCS Property Manager manages Raffles City Singapore with a view to attract and retain tenants, and the services provided by the RCS Property Manager include the following:

- establishing (for the approval of the RCS Trustee-Manager), following the recommendation of the Management Committee, operating budgets and annual plans for the operation, management, marketing and maintenance of Raffles City Singapore;
- operating and maintaining Raffles City Singapore in accordance with budgets and plans (and revisions thereof) approved by the RCS Trustee-Manager following the recommendation of the Management Committee;
- planning and coordinating marketing and promotional programmes;
- recommending leasing strategies and negotiating leases, licences and concessions;
- supervising, directing and controlling all collections and receipts, and making payments and disbursements for the operation, maintenance, management and marketing of Raffles City Singapore;
- lease administration;

- with the assistance of insurance brokers or insurance advisers, co-ordinating, reviewing and maintaining at all times certain insurance coverage; and
- maintaining books of accounts and records in respect of the operation of Raffles City Singapore.

Winding up of RCS Trust

RCS Trust is of indefinite duration but may be wound up by the RCS Trustee-Manager in the event that any law shall be passed which renders RCS Trust illegal or, in the opinion of the RCS Trustee-Manager, renders it impracticable or inadvisable for RCS Trust to continue to exist and approval for the winding-up of RCS Trust has been given by RCS Unitholders by way of unanimous resolution duly passed by the RCS Unitholders at a meeting of RCS Unitholders convened by the RCS Trustee-Manager in accordance with the RCS Trust Deed.

THE RAFFLES CITY SINGAPORE PROPERTY

Overview of Raffles City Singapore

Raffles City Singapore, a landmark integrated development situated in the Downtown Core of Singapore, is 60.0 per cent. owned by CCT and 40.0 per cent. owned by CMT. It is one of the largest premier commercial complexes in Singapore. The integrated development comprises three components: (i) the 42-storey Raffles City Tower (a prime office tower), (ii) Raffles City Shopping Centre (a prime retail mall spread over five floors) and (iii) two hotels, namely the 73-storey Swissôtel The Stamford and the 28-storey twin-tower Fairmont Singapore, together with the Raffles City Convention Centre (hotels and convention centre).

Raffles City Singapore is located in the centre of Singapore's business, historical, cultural and shopping district. It is an approximately five minutes' drive from the financial precinct at Raffles Place and approximately 20 minutes' drive from the Singapore Changi Airport, and is well served by all modes of public transportation. Raffles City Singapore is linked directly to the City Hall MRT interchange station of the North-South and East-West lines. The two MRT lines connect the financial and commercial centres in the CBD to the shopping centres and the tourist belt at Orchard Road, with the residential estates of Singapore. Through its basement 2 link, Raffles City Singapore is also served by the Esplanade MRT station of the Circle Line.

The table below sets out a summary of selected information on Raffles City Singapore as at 31 December 2016.

Gross Floor Area	3,449,727 sq ft
Net Lettable Area (NLA)	Office: 381,404 sq ft Retail: 425,303 sq ft Total: 806,707 sq ft
Number of Tenants / Leases	Office: 47 Retail: 228 ⁽¹⁾ Hotels & Convention Centre: 1 Total: 276
Number of Hotel Rooms	2,030
Carpark Lots	1,045
Title	Leasehold tenure of 99 years expiring 15 July 2078
Valuation	S\$3,169.0 million by Knight Frank and Jones Lang LaSalle ⁽²⁾
Committed Occupancy	Office: 95.8 per cent. Retail: 99.7 per cent. Total: 97.8 per cent.
Annual Shopper Traffic (million)	32.3

Notes:

⁽¹⁾ This figure refers to the total number of leases for Raffles City Shopping Centre.

⁽²⁾ Knight Frank Pte Ltd was engaged to conduct the valuation of the retail and office components and Jones Lang LaSalle Property Consultants Pte Ltd was engaged to conduct the valuation of the hotel component.

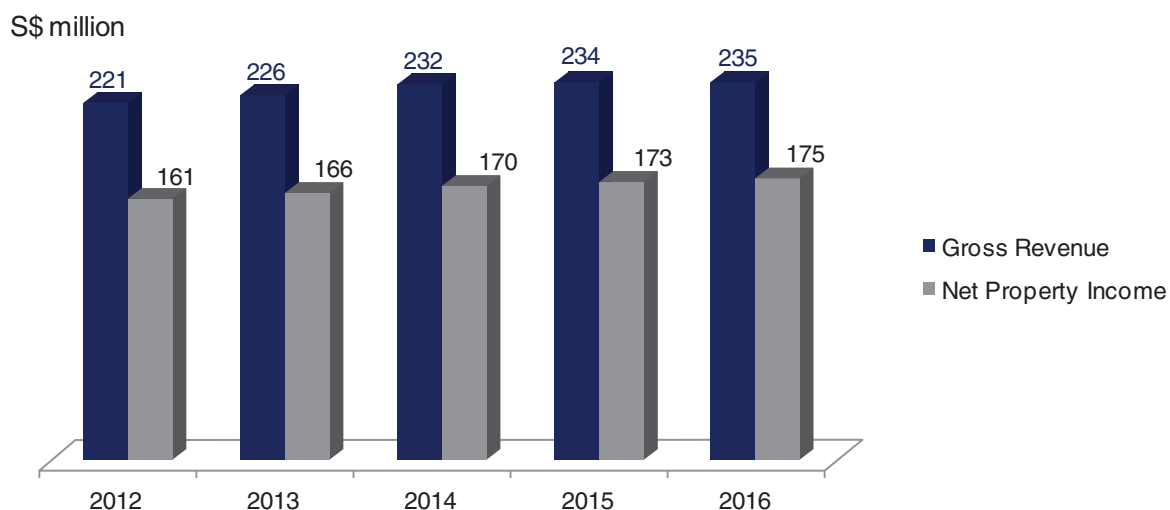
Raffles City Singapore was designed by the internationally acclaimed architect, I.M. Pei, as an integrated development — to be “the city within a city”. Raffles City Singapore comprises Raffles City Tower, which features prime office space with a total NLA of 381,404 sq ft; Raffles City Shopping Centre, with five levels of retail space and a total NLA of 425,303 sq ft; 1,045 carpark lots; Swissôtel The Stamford, a five-star business hotel with 1,261 guest rooms and luxurious suites; Fairmont Singapore, a five-star luxury hotel with 769 guest rooms and suites; and Raffles City Convention Centre, a business venue which provides a range of 27 fully-equipped meeting rooms.

Raffles City Singapore has a tenant mix which provides RCS Trust with a diversified revenue base. Each component of Raffles City Singapore has been managed to optimise area utilisation, occupancy and rental rates. Visitor traffic, generated by the scale and design of the development coupled with its location, makes Raffles City Singapore a frequently visited multi-purpose destination. The complex’s connectivity benefits tenants, hotel guests, shoppers and the public alike. The various components of Raffles City Singapore complement each other and create a self-contained community which offers comprehensive facilities and services, including offices, shopping, entertainment, recreational facilities, restaurants, hotels and convention centre as well as car park spaces.

Raffles City Tower is occupied by a high quality and diverse office tenant base. Office tenants benefit from efficient floor designs and layout, effective building and management services and accessible transport links. Raffles City Shopping Centre offers a wide variety of brands, including leading international and local ones. Retail tenants benefit from users of the non-retail components and integration with transport links. Swissôtel The Stamford and Fairmont Singapore provide luxurious hotel accommodation and high-end food and beverage services.

The synergy created by the various components helps to create and improve the rental and occupancy rates for each component. The convenient proximity of diverse facilities and services has attracted multinational and domestic companies to locate their offices in Raffles City Tower. The tenants at the office towers, in turn, generate a flow of business travellers that create demand for Swissôtel The Stamford and Fairmont Singapore. Raffles City Shopping Centre offers shopping and dining experiences to customers, tenants, hotel guests and the public, and benefits from a market of consumers that work in Raffles City Tower and stay in Swissôtel The Stamford or Fairmont Singapore.

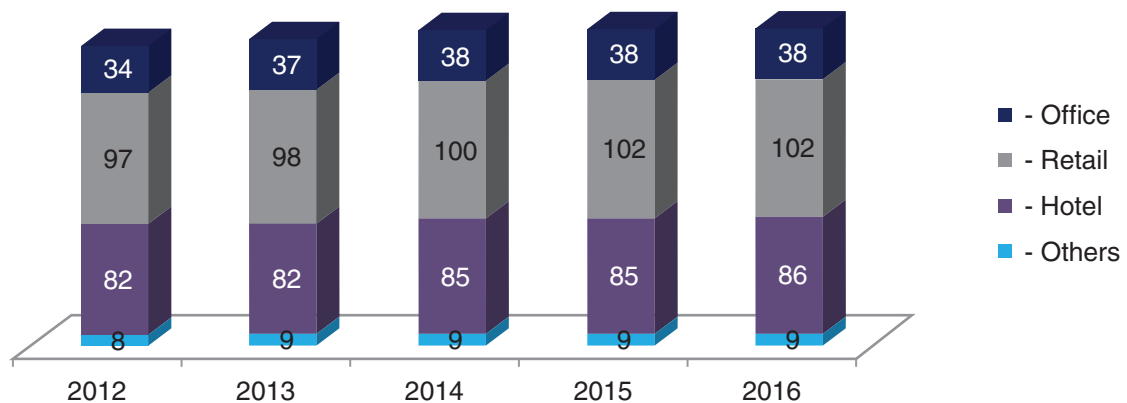
The chart below shows the five-year gross revenue and net property income for Raffles City Singapore.



The strategic location of Raffles City Singapore and its convenient transport links drew an annual shopper traffic of 32.3 million for the year ended 31 December 2016.

Segment revenue generated by each of the four components of Raffles City Singapore from the financial years ended 31 December 2012 to 31 December 2016 is set out in the following table:

S\$ million



Note: "Hotel" in the above chart also includes revenue from the Raffles City Convention Centre.

Asset management, enhancement and refurbishment

Refurbishment and enhancement works on Raffles City Singapore are undertaken on an on-going basis such as the current refurbishment of the mall entrance and interiors, and the upgrading of the lift lobbies. Examples of previous refurbishment works include the creation of a three-storey island podium block in the atrium and extension of the basement 1 Marketplace in 2007, the creation of new food and beverage outlets and extension of the existing outdoor restaurant area in 2008, reconfiguration of the basement 1 retail area and linking basement 2 to the Esplanade MRT station in 2010. Raffles City Tower has also undergone an upgrading of the main lobby, typical lift lobbies and restrooms, and the introduction of security turnstiles, all completed in June 2014. After the various asset enhancement initiatives undertaken from 2007 to 2010, the retail NLA increased from 351,959 sq ft. as of 31 December 2006 to 420,248 sq ft. as of 31 December 2010. As of 31 December 2016, continuous asset enhancement initiatives have resulted in an increased retail NLA of 425,303 sq ft.

Awards and Accolades

Raffles City Singapore has received numerous awards and accolades, including the following:

- the Green Mark Gold Plus Award awarded by the Building and Construction Authority in 2017 in recognition of the commitment of Raffles City Singapore to "go green";
- the Fire Safety Excellence Award 2016 to Raffles City Tower and Raffles City Shopping Centre by the National Fire and Civil Emergency Preparedness Council and the Singapore Civil Defence Force;
- the Safety and Security Watch Group Cluster Award awarded by the Singapore Police Force in 2016;
- the Safety and Security Watch Group Commendation Award awarded by the Singapore Police Force in 2013;
- the Retail Merchant of the Year 2011 for the MasterCard Hall of Fame Awards;
- the Safe and Security Watch Group Individual Award awarded by the Singapore Police Force and Singapore Civil Defence Force in 2011;

- the Fire Safety Excellence Award 2011 to Raffles City Shopping Centre by the National Fire and Civil Emergency Preparedness Council and the Singapore Civil Defence Force; and
- Special Mention in respect of maintaining a clean commercial building in the Office and Shopping Centre categories of the award by Enterprise Promotion Centres Pte. Ltd. in 2011.

These awards reflect Raffles City Singapore's careful selection of tenant mix, commitment to a high standard of service for shoppers and strong brand.

Competitive Strengths

Large and diversified asset base

The various components of Raffles City Singapore provide diversification through exposure to different market segments, namely, office, retail, hotels and convention centre, all in a single location, making it a self-sustained community. Raffles City Singapore is additionally supported by 1,045 car park spaces. The convenient proximity of these diverse facilities and services attract multinational and domestic companies to locate their offices at Raffles City Tower. The tenants at the office towers, in turn, generate a flow of business travellers that drives demand for Swissôtel The Stamford and Fairmont Singapore. Raffles City Shopping Centre benefits from a market of consumers that work in Raffles City Tower and stay in Swissôtel The Stamford or Fairmont Singapore, and offers one-stop shopping, dining and entertainment experiences to customers, tenants, hotel guests and the public. The various components complement each other, creating synergies that improve the performance of each individual component.

For the financial year ended 31 December 2016, the revenue contribution from the office component (being Raffles City Tower), the retail component (being Raffles City Shopping Centre), the hotel component (being Swissôtel The Stamford, Fairmont Singapore and Raffles City Convention Centre) and other revenue was approximately 16.2 per cent., 43.4 per cent., 36.6 per cent., and 3.8 per cent., respectively.

Prime location in the commercial heart of Singapore

City Hall is part of the prime business district of Singapore and is home to the regional quarters of many multinational and financial services companies, consulates of other countries as well as leading international brands attempting to attract a wide range of shoppers. In addition, Raffles City Singapore is connected to an extensive transportation network with excellent connectivity to all parts of Singapore. It is situated at the City Hall MRT Interchange station, which provides train service to and from the airport and is the cross-way of the North-South and East-West Lines on the MRT. The Circle Line and bus stops nearby provide further means to connect with other parts of Singapore.

This prime location is favourable to the operations of each of the office, retail, hotels and convention centre components of Raffles City Singapore.

Premium Brand and Established Reputation as a Landlord

Through effective marketing and the provision of high quality services, Raffles City Singapore has established its own brand as one of the largest premier commercial complexes in Singapore, both among consumers and businesses. Its strong brand enables it to attract quality tenants and maintain high occupancy rates and rental levels. As at 31 December 2016, Raffles City Tower had a large tenant base of 47 tenants and Raffles City Shopping Centre had 228 leases. These tenants and leases cover a wide range of business sectors, providing RCS Trust with earnings diversification. Furthermore, Raffles City Tower and Raffles City Shopping Centre achieved high committed occupancy levels of approximately 95.8 per cent. and 99.7 per cent. as at 31 December 2016, respectively.

Strong and stable recurring income

Raffles City Singapore has maintained consistently high occupancy rates in each of its segments, underscoring a strong financial position and strong branding as well as prudent management of its lease expiry profile. Raffles City Tower has maintained occupancy levels of 100.0 per cent., 98.7 per cent. and 95.8 per cent. for the financial years ended 31 December 2014, 2015 and 2016, respectively, while Raffles City Shopping Centre has enjoyed occupancy rates of 100.0 per cent., 99.6 per cent. and 99.7 per cent. for the financial years ended 31 December 2014, 2015 and 2016, respectively.

Strong unitholder support

As at the date of this Offering Circular, 60.0 per cent. of RCS Trust is held by CCT while the remaining 40.0 per cent. of RCS Trust is held by CMT, both of which are among Singapore's leading real estate investment trusts. Both CCT and CMT have demonstrated their strong commitment to Raffles City Singapore.

Managed by an experienced and professional management team

The RCS Property Manager is an indirect wholly-owned subsidiary of CapitaLand, one of Asia's largest real estate companies headquartered and listed in Singapore. It is able to tap on CapitaLand's unique integrated real estate platform and real estate management capabilities. Through this platform, it can call upon a professional and experienced team of marketing, operations and project managers who work closely and seamlessly with each other in managing the various components of the integrated development.

Growth Strategies

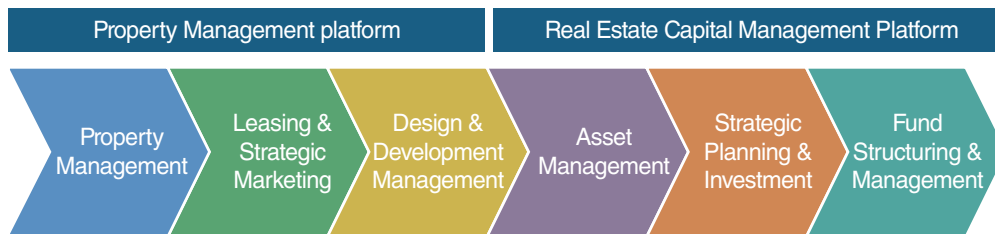
Pursuant to the RCS Trust Deed, the Management Committee is appointed by the RCS Trustee-Manager as its agent and to act on its behalf to exercise all of the RCS Trustee-Manager's powers and discretions and to perform all of its obligations under the RCS Trust Deed as manager of the RCS Trust in accordance with the terms and conditions of the RCS Trust Deed or as laid down from time to time by the RCS Trustee-Manager or as otherwise agreed in writing between the RCS Trustee-Manager, the CCT Manager, the CCT Trustee, the CMT Manager, the CMT Trustee and any other person who may from time to time be a party to the RCS Trust Deed.

The principal strategy of the Management Committee is to maintain Raffles City Singapore's status as a premium commercial property in Singapore and to produce regular and stable income. The implementation of the strategies can be broadly categorised as follows:

(a) Unique Integrated Real Estate Platform

The Management Committee leverages both CCT and CMT's unique integrated real estate platform with in-house capabilities in commercial real estate investment, retail real estate management and capital management capabilities.

Through this platform, the Management Committee takes a holistic approach and strives to not only manage Raffles City Singapore well through the RCS Property Manager's specialised expertise handling property management, leasing and strategic marketing and design and development management but also be in a good position to manage the funds raised by RCS Trust through the respective managers of CCT and CMT handling asset management, strategic planning and investment as well as fund structuring and management as depicted diagrammatically in the integrated real estate platform below:



(b) Pursue an Active and Innovative Asset Management Strategy

The Management Committee proactively manages Raffles City Singapore to maximise its performance to create a stable growth platform. Creative asset planning unlocks the potential value of Raffles City Singapore to further propel growth by enhancing the office and retail environment and improving the attractiveness of the property to shoppers and retailers.

The Management Committee implements various asset enhancement initiatives to increase the yield and productivity of office and retail space of Raffles City Singapore. These initiatives include:

- decantation whereby lower yielding spaces are transformed into higher yielding spaces;
- conversion of under-utilised space into rental space;
- reconfiguration of office and retail units to optimise space efficiency;
- maximising the use of common areas, such as bridge space, and converting mechanical and electrical areas into leasable space; and
- upgrading amenities, adding play and rest areas, providing design advisory services on shop front design and creating better shopper circulation to enhance the attractiveness of Raffles City Shopping Centre.

Continual asset enhancement

The Management Committee believes that the optimisation of the usage mix of Raffles City Singapore, an integrated development, will enhance the performance of the property. The Management Committee will work to continue to improve the rental income and value of Raffles City Singapore by undertaking asset enhancement initiatives. To the extent possible and permitted by the relevant laws and regulations, the Management Committee will seek to optimise the use of space and building efficiency within Raffles City Singapore. The Management Committee will also continually review the competitiveness of Raffles City Singapore against competing properties and upgrade building facilities to maintain and enhance the competitive positioning of Raffles City Singapore, if necessary.

Over the years, the Management Committee has successfully carried out and is still in the process of carrying out asset enhancement works in phases that include:

Raffles City Tower

- upgrading of the canopy, drop-off area, main lobby and typical lift lobbies;
- enhancement of security through the installation of turnstiles;
- refurbishment of lift lobbies, restrooms and pantries;

Raffles City Shopping Centre

- creation of a three-storey island podium block in the atrium;
- extension of the basement 1 Marketplace through the conversion of car park lots;
- extension of lease lines and reconfiguration of retail spaces at levels 1 and 2;
- creation of new food and beverage outlets and extension of the existing outdoor restaurant area;
- reconfiguration of the basement 1 retail area and creation of basement 2 link which connects City Hall MRT interchange station to Esplanade MRT station; and
- refreshing the main entrance, refurbishing the mall interiors, upgrading the lift lobbies and revamping the Central Atrium at level 3 of Raffles City Shopping centre from the third quarter of 2016 to the first quarter of 2018 at the cost of S\$54.0 million.

(c) Exercise Prudent Capital and Risk Management

The Management Committee adopts a prudent capital management strategy and reviews its cash flow, debt maturity profile and overall liquidity position on an ongoing basis. It aims to diversify the funding sources of RCS Trust, reduce concentration of debt maturing in any single year, enhance financial flexibility by unencumbering the property and maintain efficient funding costs. The Management Committee also monitors RCS Trust's exposure to various risk elements by closely adhering to well-established management policies and procedures.

RCS Trust had, since its inception, obtained and refinanced its borrowings as such:

- **2006:** The acquisition of the Raffles City Singapore Property was partly financed by a five-year secured term loan of S\$866.0 million and a secured revolving credit facility of S\$164.0 million (the **2006 Silver Oak Financing**) obtained from Silver Oak Ltd, a special purpose vehicle incorporated in Singapore for the purposes of, *inter alia*, issuing notes from time to time under a commercial mortgage-back securities programme (the **Silver Oak CMBS Programme**) and advancing such proceeds to RCS Trust as loans.
- The loan proceeds provided to RCS Trust under the 2006 Silver Oak Financing were obtained by Silver Oak Ltd through the issuance of series 1 notes under the Silver Oak CMBS Programme (**Series 1 CMBS Notes**).
- **2011:** The borrowings of RCS Trust were refinanced with a five-year secured term loan facility of S\$1,000.0 million and a secured revolving credit facility of S\$300.0 million from Silver Oak Ltd (the **2011 Silver Oak Financing**).
- The loan proceeds provided to RCS Trust under the 2011 Silver Oak Financing were obtained by Silver Oak Ltd through secured term loan facilities and secured revolving credit facilities from external financial institutions (the **Silver Oak Credit Facilities**) and the issuance of series 2 notes under the Silver Oak CMBS Programme (**Series 2 CMBS Notes**), following which all of the Series 1 CMBS Notes were redeemed.

- **2016:** RCS Trust obtained unsecured bilateral bank loan facilities of S\$1,100.0 million and revolving credit facilities of S\$300.0 million from external financial institutions, following which all amounts owing by Silver Oak Ltd to external financial institutions under the Silver Oak Credit Facilities were repaid.

In connection thereof, all of the Series 2 CMBS Notes were redeemed and the Silver Oak CMBS Programme was terminated, leading to the unencumbering of the Raffles City Singapore Property.

As at 31 December 2016, the aggregate leverage of RCS Trust was at 34.2 per cent., average term to maturity was 3.1 years and fixed rate borrowings comprised 52.4 per cent. of total borrowings.

(d) Intrinsic Organic Growth

Active management of new leases and lease renewals are important for RCS Trust to capture opportunities for organic growth.

A major component of RCS Trust's organic growth has been achieved through:

- step-up rent;
- gross turnover (**GTO**) rent, which is a useful management tool that aligns RCS Trust's interests with those of its tenants. The leases follow a rental structure which encompasses step-up rent plus a small component of GTO rent or a larger component of GTO rent only, whichever is higher;
- non-rental income, from car parks, vending machines, casual leasing, customer service counters and advertisement panel spaces; and
- improved rental rates for lease renewals and new leases.

(e) Re-inventing Retail Experiences

The Management Committee also supplements retail experiences with new shopping, dining and leisure combinations which help to maximise the sales of the tenants and generate growth through improved rental income.

The increase in shopper traffic is generated through:

- alignment of tenancy mix with current market trends which ensures a continuous mix of attractive and popular retail outlets in Raffles City Singapore;
- new retail concepts which help generate positive sales;
- enhancing shoppers' experience by improving connectivity between floors, installing electronic car park guidance systems, and upgrading restroom facilities, baby nursing rooms and alfresco dining areas;
- innovative marketing and promotional events to draw in the crowds; and
- collaborative efforts with the tenants to produce attractive shop fronts and visual merchandising design ideas.

Raffles City Singapore in Detail

(i) Office — Raffles City Tower

With a NLA of approximately 381,404 sq ft, the 42-storey Raffles City Tower is a prime office development in the City Hall area of Singapore. Raffles City Tower has an exclusive lift lobby and entrance, as well as a direct exit to the Raffles City Shopping Centre, providing tenants with easy access to the other services available in Raffles City Singapore and to the transportation network.

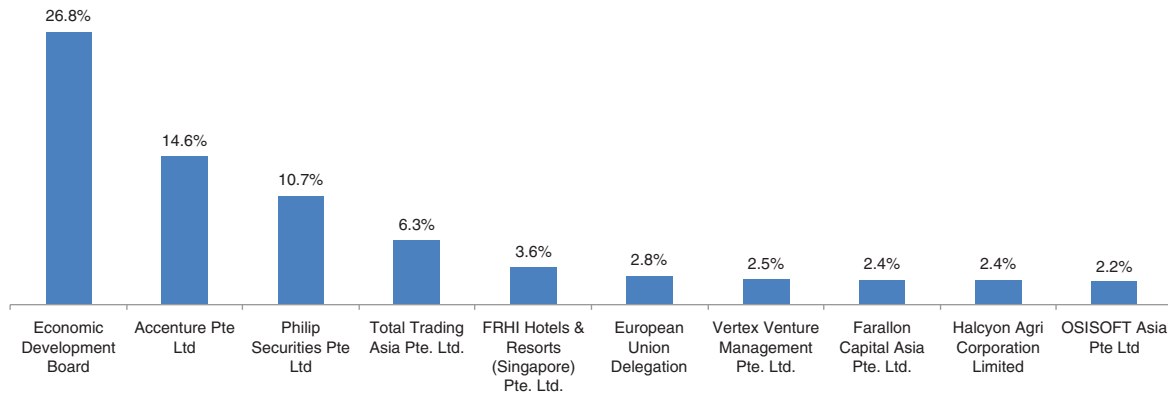
In this regard, the businesses of many tenants may benefit from the synergy created by the various components of Raffles City Singapore. The convenience of being connected directly to the City Hall MRT interchange station, as well as the availability of a one-stop shopping mall for employees' everyday needs, support facilities such as five-star hotels for business travellers and a well-equipped convention centre serves to enhance the operations of the office tenants.

The tenants of Raffles City Tower also enjoy a secure and comfortable environment. Quality services to office tenants include reception and security services and on-site management services, including service hotlines and 24-hour technical support.

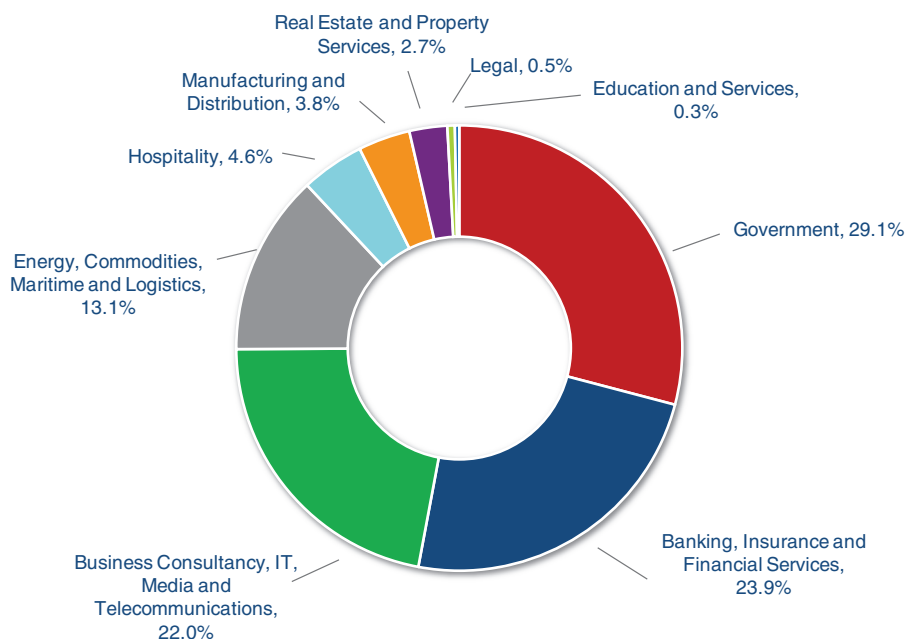
Tenant Profile

With its convenient location, the Raffles City Tower is home to a diversified tenant mix, including regional headquarters of companies, foreign consulates, international and domestic companies such as the Economic Development Board, Accenture Pte Ltd, Phillip Securities Pte Ltd and Total Trading Asia Pte. Ltd.

As at 31 December 2016, the Raffles City Tower had 47 tenants. The following chart shows the top ten tenants of Raffles City Tower in terms of office gross rental income as at 31 December 2016.



Raffles City Tower enjoys a diversified tenant mix, providing it with a stable source of rental revenue. The chart below highlights the trade mix by gross rental for Raffles City Tower as at 31 December 2016.



(ii) Retail — Raffles City Shopping Centre

Raffles City Shopping Centre is a five-level shopping arcade with a NLA of approximately 425,303 sq ft. With 228 leases as at 31 December 2016 including numerous leading brands and dining outlets, it is a destination of choice for high-end consumers and a frequently visited mall, with 32.3 million annual visitors.

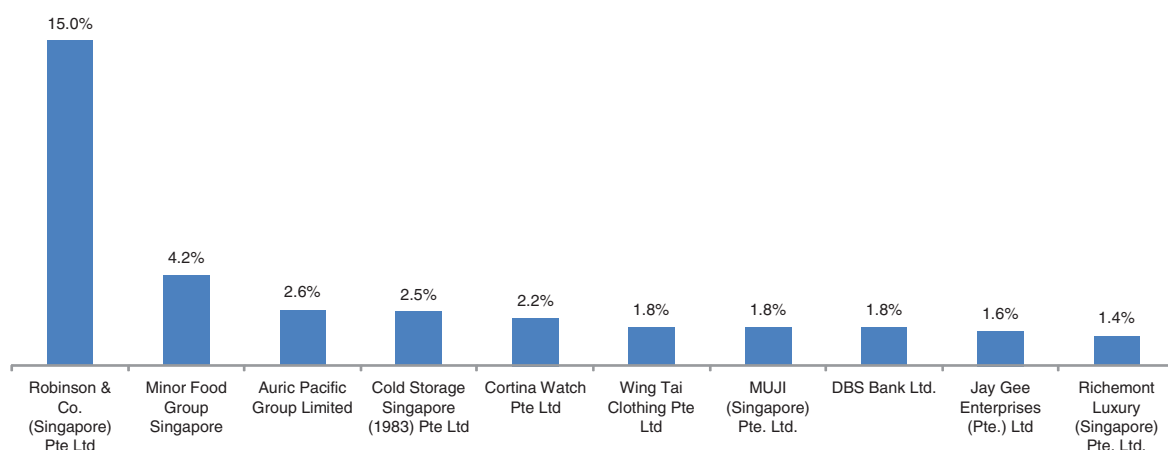
Adjoining Raffles City Tower, Raffles City Shopping Centre offers shopping and dining experiences spread over five floors on levels 1, 2, 3 and basements 1 and 2. Anchored by Robinsons Department Store and Raffles City Market Place, a gourmet supermarket, Raffles City Shopping Centre complements Raffles City Tower.

As one of the most conveniently located malls in Singapore, Raffles City Shopping Centre is located in the centre of Singapore's business, historical, cultural and shopping district. The mall is built over the East-West and North-South MRT lines, Raffles City Shopping Centre provides easy access to and from Singapore Changi Airport and all over Singapore. Raffles City Shopping Centre enjoys steady patronage from the locals, business travellers and tourists who work in Raffles City Tower and/or stay in Swissôtel The Stamford and Fairmont Singapore. There is also synergy between the white collar employees at Raffles City Tower, the positioning and tenants of Raffles City Shopping Centre and the guests of Swissôtel The Stamford and Fairmont Singapore. As many of the tenants of Raffles City Tower are leading multinational companies and numerous guests of Swissôtel The Stamford and Fairmont Singapore are professionals and business executives, these provide a source of shoppers for Raffles City Shopping Centre.

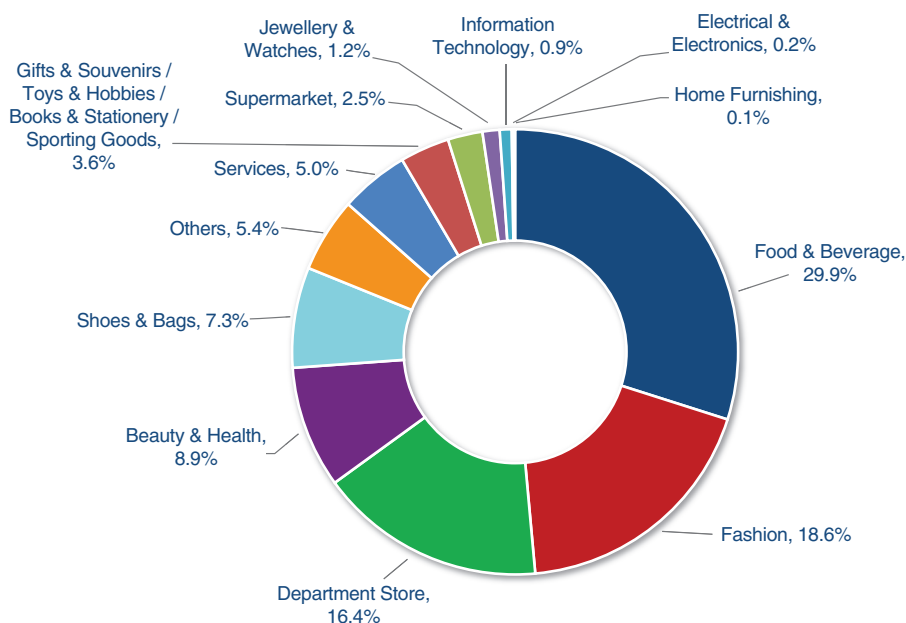
Tenant Profile

Numerous internationally recognised brands have chosen to locate their stores at Raffles City Shopping Centre, including BritishIndia, Brooks Brothers, Kate Spade New York, MUJI, Montblanc, Omega, Rolex, Swarovski and Tissot. Other major retail tenants include Robinson & Co. (Singapore) Pte Ltd, Wing Tai Clothing Pte Ltd, Minor Food Group Singapore, Cortina Watch Pte Ltd, Auric Pacific Group Limited and Cold Storage Singapore (1983) Pte Ltd.

The following table sets out certain information on, among others, the top ten tenants of Raffles City Shopping Centre by gross rental income (excluding gross turnover rent) for the month of December 2016.



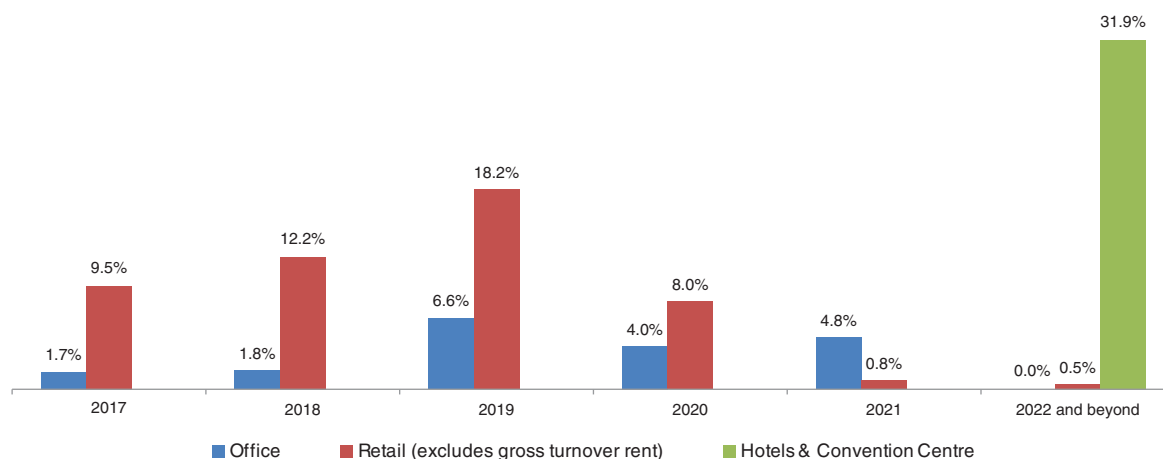
Similar to Raffles City Tower, Raffles City Shopping Centre maintains a diversified tenant mix, providing it with a stable source of rental income enabling it to provide a comprehensive retail experience for shoppers. The chart below provides a breakdown by gross rental income (excluding gross turnover rent) of the different trade sectors represented in the Raffles City Shopping Centre for the month of December 2016.



Note: Others include Art Gallery and Luxury

(iii) Lease Expiry Profile

RCS Trust engages in active lease management which supports a well-spread lease expiry profile. The chart below highlights the committed lease expiry profile as at 31 December 2016.



(iv) Hotels and Convention Centre — Swissôtel The Stamford, Fairmont Singapore and Raffles City Convention Centre

Swissôtel The Stamford, Fairmont Singapore as well as the Raffles City Convention Centre are operated by RC Hotels (Pte) Ltd, who has committed to a long-term lease expiring in 2036. The lease is subject to a rent review every five years from 2011. The second sub-term rent review in 2016 has been completed and there is a positive reversion compared to the first sub-term rent review (for the years 2011 to 2016). Historically, 70 per cent. to 75 per cent. of the hotel rent is fixed and the remainder is variable rent on the hotel's gross operating revenue. This provides a stable income for RCS Trust.

Both Swissôtel The Stamford and Fairmont Singapore are especially attractive owing to their close proximity to Raffles City Shopping Centre. As such, the hotels benefit from being part of Raffles City Singapore, embodying its concept of “the city within a city”. A full spectrum of shops and restaurants is in close proximity in Raffles City Shopping Centre.

Swissôtel The Stamford

Swissôtel The Stamford is a five-star hotel located in a prime location amidst shopping, dining, entertainment and business opportunity. The hotel offers 1,261 guestrooms and luxurious suites with private balconies overlooking views of Singapore’s cityscape and the nearby islands of Malaysia and Indonesia; supported by a team of experienced concierges. Additional amenities include a collection of 15 lifestyle and dining choices — such as one-star Michelin restaurant, JAAN within the Equinox complex on the 70th floor, as well as one of Asia’s largest spas — the Willow Stream Spa.

Swissôtel The Stamford enjoys a very convenient location, and is near major government offices, key business addresses and tourist hotspots. As part of Raffles City Singapore, Swissôtel The Stamford is also in close proximity to several leading international and domestic companies, making it a popular choice for both leisure and corporate travellers.

As one of the leading luxury hotels in Singapore, Swissôtel The Stamford has won numerous major international and domestic awards since its opening, including World Luxury Hotel Awards 2012-2013, World Travel Awards 2012-2013, Hospitality Asia Platinum Awards 2011-2013, Best Customer Service for Singapore Experience Awards 2011, and TripAdvisor’s Certificate of Excellence Hall of Fame (conferred to businesses that have won the TripAdvisor Certificate of Excellence for five consecutive years).

Fairmont Singapore

Adjacent to, and complementing, Swissôtel The Stamford, Fairmont Singapore is a hotel that offers 769 guestrooms and suites housed within two 26-storey towers. Its strategic location provides easy access to both the North-South and East-West MRT lines, making it very popular among the financial services industry and professional services firms.

Guests of Fairmont Singapore can also make use of a wide range of facilities, including spa and fitness services at the Willow Stream Spa, or enjoy an extensive choice of international cuisines including Japanese, Szechuan, Italian, local and Halal-certified Asian specialties.

As one of the leading luxury hotels in Singapore, Fairmont Singapore has won numerous major international and domestic awards since its opening, including Top 25 Luxury Hotels in Singapore and Top 25 Hotels for Service in Singapore — TripAdvisor’s Travellers’ Choice Award 2016, Best in Stay Award — Orbitz Worldwide 2015, Top 10 Hotels in Singapore — Condé Nast Travellers Reader’s Choice Award 2015, FORBES Four-Star Rating — FORBES Travel Guide 2016, and Agoda Gold Circle Award 2015.

Raffles City Convention Centre

The conveniently located 70,000 sq ft Raffles City Convention Centre provides 27 fully-equipped meeting rooms capable of accommodating events of all sizes. Every year, Raffles City Convention Centre is home to both locally-based as well as overseas events. Further enhancing its position as one of the leading Meetings, Incentives, Conferences and Exhibitions (MICE) destinations in Singapore, Raffles City Convention Centre has been the choice venue for many major activities and events.

Fairmont Singapore and Swissôtel The Stamford were the official hotels for the water themed sports athletes, athletics participants, as well as the SEA Games delegates for the 28th SEA Games in 2015. The culinary team also worked closely with nutritionists to design and create customised menus to suit

the stringent dietary requirements of the guests throughout their stay. Raffles City Convention Centre was also converted into a meeting and office space for the committee and delegates, fully utilising the various meeting rooms. To further enhance the hotel interior so as to create an unforgettable experience for the guests, SEA Games brand posters were designed and created specially for the lobby and escalators of Swissôtel The Stamford.

In February 2016, the Singapore Airshow Aviation Leadership Summit was held at the Raffles City Convention Centre. As the largest aviation exhibition in Asia, the Singapore Airshow was the key media highlight of the event. Aviation's key stakeholders as well as top names from leading international aerospace companies convened at this summit. Other notable events in 2016 include the 32nd Asia Pacific Petroleum Conference (APPEC 2016) in September, which saw the gathering of global industry leaders and being one of the home fronts again for Formula 1 Singapore 2016. With its strategic location just by the Formula 1 race track and grand stand, the hotel was the ticket collection point for all visitors and guests who had pre-booked their tickets online.

SELECTED FINANCIAL INFORMATION

The following tables set forth selected audited financial information of RCS Trust as at the end of and for FY 2015 and FY 2016. This selected financial information should be read in conjunction with the audited financial statements of RCS Trust for FY 2016 and the notes thereto, as set out in Appendix I to this Offering Circular.

The audited financial statements of RCS Trust have been prepared in accordance with the recommendations of statements of RAP 7 issued by the Institute of Singapore Chartered Accountants.

Statement of Total Return and Distribution Statement

Statement of Total Return

	FY 2016 \$'000	FY 2015 \$'000
Gross revenue	234,613	234,355
Property operating expenses	(59,539)	(61,216)
Net property income	175,074	173,139
Interest income	30	13
Finance costs	(29,093)	(35,031)
Asset management fees		
– Base fee	(7,994)	(7,857)
– Performance fee	(7,003)	(6,926)
Audit fees	(80)	(80)
Professional fees	(29)	(46)
Valuation fees	(155)	(177)
Trustee-Manager's fees	(400)	(393)
Other expenses	–	(19)
Net income	130,350	122,623
Net change in fair value of investment property	(18,739)	13,089
Total return for the year before tax	111,611	135,712
Tax expense	–	–
Total return for the year attributable to Unitholders before distribution	111,611	135,712

Distribution Statement

	FY 2016 \$'000	FY 2015 \$'000
Total return for the year attribute to Unitholders before distribution	111,611	135,712
Net tax adjustments	36,421	5,680
Amount available for distribution to Unitholders	148,032	141,392

Statement of Financial Position

	FY 2016 \$'000	FY 2015 \$'000
Non-current assets		
Plant and equipment	944	1,077
Investment property	3,169,000	3,136,000
Financial derivatives	19	–
	3,169,963	3,137,077
Current assets		
Inventories	–	568
Trade and other receivables	4,967	5,007
Cash and cash equivalents	38,457	13,252
	43,424	18,827
Total assets	3,213,387	3,155,904
Current liabilities		
Trade and other payables	54,210	35,905
Interest-bearing liabilities	–	1,042,763
Distribution payable	38,254	36,690
Current portion of security deposits	10,351	14,826
Financial derivatives	382	–
	103,197	1,130,184
Non-current liabilities		
Interest-bearing liabilities	1,097,518	–
Non-current portion of security deposits	20,360	15,340
Financial derivatives	294	–
	1,118,172	15,340
Total liabilities	1,221,369	1,145,524
Net assets	1,992,018	2,010,380
Represented by:		
Unitholders' funds	1,992,018	2,010,380

TAXATION

The statements herein regarding taxation are based on the laws (including certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the MAS and the IRAS) in force as at the date of this Offering Circular and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. These laws, guidelines and circulars 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 or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements made herein do not purport to be a comprehensive or exhaustive description of all of the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes 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 holders of the Notes are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the subscription for, purchase, holding or disposal of the Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Arranger, the Dealers 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.

SINGAPORE TAXATION

1. 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 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17 per cent. The applicable rate for non-resident individuals is 22 per cent. with effect from the year of assessment 2017. 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 per cent. The rate of 15 per cent. 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.

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

- (a) **break cost**, in relation to debt securities, qualifying debt securities or qualifying project 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;
- (b) **prepayment fee**, in relation to debt securities, qualifying debt securities or qualifying project 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
- (c) **redemption premium**, in relation to debt securities, qualifying debt securities or qualifying project 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 have the same meaning as defined in the ITA.

In addition, as the Programme as a whole is arranged by The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, which is a Financial Sector Incentive (Standard Tier) Company (as defined in the ITA), any tranche of the Notes issued under the Programme during the period from the date of this Offering Circular to 31 December 2018 (**Relevant Notes**) 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 Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Notes within such period as MAS may specify and such other particulars in connection with the Relevant Notes as MAS may require, and the inclusion by the Issuer in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Notes 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 Notes using the funds and profits of such 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 Notes 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 Notes 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 Issuer, or such other person as MAS may direct, to MAS of a return on debt securities in respect of the Relevant Notes within such period as MAS may specify and such other particulars in connection with the Relevant Notes as MAS may require), Qualifying Income from the Relevant Notes derived by any company or body of persons (as defined in the ITA) other than any non-resident who qualifies for tax exemption as described in paragraph (i) above, is subject to income tax at a concessionary rate of 10 per cent.; and

(iii) subject to:

(aa) the Issuer including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the ITA; and

(bb) the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Notes within such period as MAS may specify and such other particulars in connection with the Relevant Notes as MAS may require,

payments of Qualifying Income derived from the Relevant Notes are not subject to withholding of tax by the Issuer.

Notwithstanding the foregoing:

(A) if during the primary launch of the Relevant Notes, the Relevant Notes are issued to less than four persons and 50 per cent. or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Notes would not qualify as qualifying debt securities; and

(B) even though the Relevant Notes are qualifying debt securities, if at any time during the tenure of such Relevant Notes, 50 per cent. or more of such Relevant Notes which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from such Relevant Notes held by:

I. any related party of the Issuer; or

II. any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax of 10 per cent. 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 Notes by any person who is not tax resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities shall not apply if such person acquires such Relevant Notes using the funds and profits of such person's operations through a permanent establishment in Singapore.

Notwithstanding that the Issuer is permitted to make payments of Qualifying Income in respect of the Relevant Notes without deduction or withholding of tax under Section 45 or 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 such Relevant Notes is not exempt from tax is required to include such income in a return of income made under the ITA.

The 10 per cent. 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).

Under the Qualifying Debt Securities Plus Scheme (**QDS Plus Scheme**), subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities in respect of the qualifying debt securities within such period as MAS may specify and such other particulars in connection with the qualifying debt securities as MAS may require), 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) (i) if issued before 28 June 2013, cannot be redeemed, converted, exchanged or called within 10 years from the date of their issue; or
(ii) if issued on or after 28 June 2013, cannot have their tenure shortened to less than 10 years from the date of their issue, except under such circumstances as may be prescribed by regulations (see below); and
- (d) cannot be re-opened with a resulting tenure of less than 10 years to the original maturity date.

Under the QDS Regulations, the circumstances under which the tenure of the qualifying debt securities may be shortened to less than 10 years from the date of its issue for purposes of the QDS Plus Scheme are those as a result of any early termination pursuant to an early termination clause which the issuer has included in any offering document for the qualifying debt securities and which falls within the types of early termination clause prescribed in the QDS Regulations. The prescribed types of early termination clause include change in tax law, default event, change of control or change of shareholding and change in listing status of an issuer or trading disruption.

The QDS Regulations also provide that the circumstances under which the tenure of the qualifying debt securities may be shortened to less than 10 years from the date of its issue apply only to qualifying debt securities which does 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 its issue. Qualifying debt securities which contains any such terms or features will not be able to rely on the circumstances under which the tenure may be shortened to less than 10 years to enjoy the tax exemption under the QDS Plus Scheme.

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 of 10 per cent. 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 Notes are qualifying debt securities which qualify under the QDS Plus Scheme, if, at any time during the tenure of such tranche of Relevant Notes, 50 per cent. or more of such Relevant Notes which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income from such Relevant Notes derived by:

- (i) any related party of the Issuer; or
- (ii) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption under the QDS Plus Scheme as described above.

2. Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains derived by any person from the sale of the Notes 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 Notes will depend on the facts and circumstances of each Noteholder. Holders of the Notes who apply or are required to apply Singapore Financial Reporting Standard 39 (**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, irrespective of disposal, in accordance with FRS 39. Please see the section below on "Adoption of FRS 39 Treatment for Singapore Income Tax Purposes".

3. Adoption of FRS 39 Treatment for Singapore Income Tax Purposes

The IRAS has published an e-Tax Guide: Income Tax Implications Arising from the Adoption of FRS 39 — Financial Instruments: Recognition & Measurement (the **FRS 39 e-Tax Guide**). Legislative amendments to give legislative effect to the tax treatment set out in the FRS 39 e-Tax Guide have been enacted in Section 34A of the ITA.

The FRS 39 e-Tax Guide 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 who may be subject to the tax treatment under the FRS 39 e-Tax Guide 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.

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 IRAS has issued a consultation paper "Proposed Income Tax Treatment Arising from the Adoption of FRS 109 — Financial Instruments" on 1 July 2016 and the closing date for submission of comments was 1 August 2016. Prospective holders of the Notes should consult their own accounting and tax advisers on the proposed tax treatment to understand the implications and consequences that may be applicable to them.

4. Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

PROPOSED FINANCIAL TRANSACTION TAX (FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including: (a) by transacting with a person established in a participating Member State or; (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States and the scope of any such tax is uncertain. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

FOREIGN ACCOUNT TAX COMPLIANCE ACT

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a **foreign financial institution** (as defined by FATCA) may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting or related requirements. The issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including Singapore) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to 1 January 2019 and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the issuer). However, if additional Notes (as described under "*Terms and Conditions of the Notes — Further Issues*") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

Subject to the terms and on the conditions contained in a Programme Agreement dated 22 March 2017 (as amended, restated and/or supplemented from time to time, the **Programme Agreement**) between the Issuer and The Hongkong and Shanghai Banking Corporation Limited (the **Permanent Dealer**), Notes may be offered on a continuous basis by the Issuer to the Permanent Dealer. Any such agreement will extend to those matters stated under “*Form of the Notes*” and “*Terms and Conditions of the Notes*”. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Programme Agreement also provides for Notes to be issued in syndicated Tranches that are either severally or jointly and severally, as specified in the relevant Subscription Agreement, underwritten by two or more Dealers.

The Issuer may pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by such Dealer. The Issuer has agreed to reimburse the Arranger for certain of its expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of any Notes. The Programme Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

The Arranger, the Dealers or any of their respective affiliates may have performed certain banking and advisory services for the Issuer and/or its affiliates from time to time for which they have received customary fees and expenses and may, from time to time, engage in transactions with and perform services for the Issuer and/or its affiliates in the ordinary course of the Issuer’s or its affiliates’ business. The Issuer may from time to time agree with the relevant Dealer(s) that the Issuer may pay certain third parties (including, without limitation, rebates to private banks as specified in the relevant Pricing Supplement).

The Dealers and their affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. Each of the Dealers may have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer or its subsidiaries, jointly controlled entities or associated companies from time to time. In the ordinary course of their various business activities, the Dealers and their affiliates may make or hold (on their own account, on behalf of clients or in their capacity of investment advisers) a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments and enter into other transactions, including credit derivatives (such as asset swaps, repackaging and credit default swaps) in relation thereto. Such transactions, investments and securities activities may involve securities and instruments of the Issuer or its subsidiaries, jointly controlled entities or associated companies, including Notes issued under the Programme, may be entered into at the same time or proximate to offers and sales of Notes or at other times in the secondary market and be carried out with counterparties that are also purchasers, holders or sellers of Notes. Notes issued under the Programme may be purchased by or be allocated to any Dealer or an affiliate for asset management and/or proprietary purposes but not with a view to distribution.

United States

In respect of Notes offered or sold in reliance on Category 1 as specified in the relevant Pricing Supplement, the Notes have not been and will not be registered under the Securities Act, and may not

be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. 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, and will not offer or sell, any Notes constituting part of its allotment except in accordance with Rule 903 of Regulation S under the Securities Act.

In respect of Notes offered or sold in reliance on Category 2 as specified in the relevant Pricing Supplement, the Notes 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 under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act. 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 such Notes (i) as part of their distribution at any time or (ii) 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 on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes 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 during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph shall have the same meanings given to them by Regulation S under the Securities Act.

The Notes 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 shall have the same meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

In addition, until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes 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 issue of Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issue and purchase of such Notes, which additional selling restrictions shall be set out in the relevant Pricing Supplement.

European Economic Area

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that no offers or sales of the Notes will be made in, or to any person domiciled in, or having their registered office located in, any jurisdiction within the European Union or any member of the European Economic Area other than the United Kingdom.

Prohibition of Sales to EEA Retail Investors

From 1 January 2018, unless the Pricing Supplement in respect of any Notes specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, 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, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression **retail investor** means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or

- (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the **Insurance Mediation Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the **Prospectus Directive**); and
- (b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

Prior to 1 January 2018, and from that date if the Pricing Supplement in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, in relation to each Member State of the EEA 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 which are the subject of the offering contemplated by this Offering Circular as completed by the 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 to the public in that Relevant Member State:

- (a) if the Pricing Supplement in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a **Non-exempt Offer**), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Pricing Supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Pricing Supplement, as applicable, and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 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 Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (d) above shall require the 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 to the public** in relation to any Notes 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 to be offered so as to enable an investor to decide to purchase or subscribe the Notes, 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 (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

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 Financial Services and Markets Act 2000 (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 in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; 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 in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act 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, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), 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 (except for Notes which are a “structured product” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) other than (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) 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, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

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 MAS. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that this Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Notes to be issued from time to time by the Issuer pursuant to the Programme have not been and will not be circulated or distributed, nor the Notes offered or sold, or 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 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 Notes 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 Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) 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 (to the best of its knowledge and belief) comply with all applicable securities laws and regulations and directives in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes 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 Issuer, the Trustee nor any of the other Dealers shall have any responsibility therefor.

Other persons into whose hands the Offering Circular or any Pricing Supplement comes are required by the Issuer, the Trustee, the Arranger and the Dealers to comply with all applicable laws and

regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess or distribute this Offering Circular or any Pricing Supplement or any related offering material, in all cases at its own expense.

None of the Issuer, the Trustee and the Dealers represents that Notes 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 assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the relevant Pricing Supplement.

GENERAL INFORMATION

Authorisation

The establishment of the Programme and the issue of Notes have been duly authorised by resolutions passed by the unitholders of RCS Trust and the Management Committee of RCS Trust dated 22 March 2017.

Listing of Notes

Application has been made to the SGX-ST for permission to deal in and for quotation of any Notes 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 have been admitted to the Official List of the SGX-ST. Admission to the Official List of the SGX-ST and quotation of any Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, RCS Trust, the Programme or the Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. The Notes will trade on the SGX-ST in a minimum board lot size of S\$200,000 so long as any of the Notes remains listed on the SGX-ST and the rules of the SGX-ST so require.

Documents Available

So long as Notes may be issued under the Programme, copies of the following documents will, when published, be available for inspection from (other than the documents specified under (c) below) the specified office of the Management Committee of RCS Trust located at 168 Robinson Road, #30-01, Capital Tower, Singapore 068912 during the hours of 9.30 a.m. to 3.30 p.m., Mondays to Fridays (excluding public holidays):

- (a) the audited financial statements in respect of RCS Trust in respect of the financial year ended 31 December 2016;
- (b) the most recently published audited consolidated annual financial statements in respect of RCS Trust and its subsidiaries (if any) and the most recently published unaudited interim financial statements (if any) in respect of RCS Trust and its subsidiaries (if any) together with any review reports prepared in connection therewith;
- (c) the Trust Deed (which includes the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupon and the Talons) and the Agency Agreement;
- (d) a copy of this Offering Circular; and
- (e) any future information memoranda and supplements including Pricing Supplement to this Offering Circular and any other documents incorporated herein or therein by reference.

In addition, Noteholders may request from RCS Trust at #RCS_Bonds@capitaland.com and, upon identification reasonably satisfactory to the Management Committee of RCS Trust, obtain an electronic copy of the most recent audited annual financial statements (consolidated, if applicable) in respect of RCS Trust and its subsidiaries (if any).

Clearing Systems

Each series of Bearer Notes will be initially represented by either a Temporary Global Note or a Permanent Global Note that will (unless otherwise specified in the relevant Pricing Supplement) be deposited on the issue date thereof with CDP or a common depository on behalf of Euroclear and Clearstream, Luxembourg or any other agreed clearance system compatible with CDP, Euroclear and Clearstream, Luxembourg (as the case may be). Each series of Registered Notes will be initially represented by interests in a Registered Global Note and deposited on the issue date thereof with (as

specified in the Pricing Supplement) CDP, and registered in the name of CDP or its nominee, or with a common depository for, and registered in the name of a nominee of, Euroclear and Clearstream, Luxembourg. The appropriate Common Code and the International Securities Identification Number (**ISIN**) for each series of Bearer Notes or Registered Notes will be specified in the relevant Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the relevant Pricing Supplement.

The address of Euroclear is Euroclear Bank SA/NV, 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.

The address of CDP is 11 North Buona Vista Drive, #06-07 The Metropolis Tower 2, Singapore 138589.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Significant or Material Change

Save as disclosed in this Offering Circular, there has been no material adverse change in the financial condition or business of RCS Trust or the Group since 31 December 2016.

Litigation

There are no legal or arbitration proceedings pending or, so far as the Issuer is aware, threatened against RCS Trust the outcome of which may have or has had during the 12 months prior to the date of this Offering Circular a material adverse effect on the financial position in respect of RCS Trust.

AUDITORS

KPMG LLP have audited and issued an unqualified auditors' report on the financial statements in respect of RCS Trust prepared in accordance with the recommendations of statements of RAP 7 issued by the Institute of Singapore Chartered Accountants, for the financial year ended 31 December 2016.

The report of the auditors in respect of RCS Trust is included or incorporated by reference in the Offering Circular in the form and context in which it is incorporated, with the consent of the relevant auditors who have authorised the contents of its report which is included or incorporated by reference in this Offering Circular.

APPENDIX I

AUDITED CONSOLIDATED ACCOUNTS OF RCS TRUST FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

The information in this Appendix I has been extracted and reproduced from the audited financial statements of RCS Trust for the financial year ended 31 December 2016 and has not been specifically prepared for inclusion in this Offering Circular.

RCS Trust

**(Established in the Republic of Singapore
pursuant to a trust deed dated 18 July 2006)**

Financial Statements
Year ended 31 December 2016

KPMG LLP (Registration No. T08LL1267L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A) and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Report of the Trustee-Manager

HSBC Institutional Trust Services (Singapore) Limited (the “Trustee-Manager”) is under a duty to take into custody and hold the assets of RCS Trust (the “Trust”) in trust for the Unitholders (“Unitholders”). In accordance with the Securities and Futures Act, Chapter 289 of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee-Manager shall monitor the activities of the Management Committee of the Trust for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 18 July 2006 (as amended by a first supplemental deed dated 23 December 2016 (collectively the “Trust Deed”)) in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee-Manager, the Management Committee of the Trust has, in all material respects, managed the Trust during the period covered by these financial statements, set out on pages FS1 to FS35, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

**For and on behalf of the Trustee-Manager,
HSBC Institutional Trust Services (Singapore) Limited**

Esther Fong
Senior Vice President, Trustee Services

Singapore
15 February 2017

Statement by the Management Committee

In the opinion of the Management Committee of RCS Trust (the “Trust”), the accompanying financial statements set out on pages FS1 to FS35, comprising the Statement of Financial Position, Statement of Total Return, Distribution Statement, Statement of Movements in Unitholders’ Funds, Portfolio Statement, Statement of Cash Flows and a summary of significant accounting policies and other explanatory notes of the Trust are drawn up so as to present fairly, in all material respects, the financial position of the Trust as at 31 December 2016 and the total return, distributable income, movements in unitholders’ funds and cash flows of the Trust for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts” issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed. At the date of this statement, there are reasonable grounds to believe that the Trust will be able to meet their financial obligations as and when they materialise.

**For and on behalf of the Management Committee,
RCS Trust**

Lynette Leong Chin Yee
Member of the Management Committee

Tan Wee Yan, Wilson
Member of the Management Committee

Singapore
15 February 2017

Independent auditors' report Unitholders of RCS Trust

(Established in the Republic of Singapore pursuant to a Trust Deed dated 18 July 2006)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of RCS Trust (the "Trust"), which comprise the Statement of Financial Position and Portfolio Statement of the Trust as at 31 December 2016, and the Statement of Total Return, Distribution Statement, Statement of Movements in Unitholders' Funds and Statement of Cash Flows of the Trust for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages FS1 to FS35.

In our opinion, the accompanying financial statements of the Trust present fairly, in all material respects, the financial position of the Trust as at 31 December 2016 and the total return, distributable income, movements in unitholders' funds and cash flows of the Trust for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Unit Trusts* issued by the Institute of Singapore Chartered Accountants.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the '*Auditor's responsibilities for the audit of the financial statements*' section of our report. We are independent of the Trust in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Trustee-Manager and the Management Committee are responsible for the other information. The other information comprises the report of the Trustee-Manager and statement by the Management Committee but does not include the financial statements and our auditors' report thereon, which we obtained prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Trustee-Manager and the Management Committee for the financial statements

The Trustee-Manager and the Management Committee are responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Unit Trusts* issued by the Institute of Singapore Chartered Accountants, and for such internal controls as the Trustee-Manager and the Management Committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee-Manager and the Management Committee are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee-Manager and the Management Committee either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

The responsibilities of the Trustee-Manager and the Management Committee includes overseeing the Trust's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit 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 Trust's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee-Manager and the Management Committee.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Trustee-Manager and the Management Committee and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustee-Manager and the Management Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

KPMG LLP
*Public Accountants and
Chartered Accountants*

Singapore
15 February 2017

Statement of Financial Position
As at 31 December 2016

	Note	2016 \$'000	2015 \$'000
Non-current assets			
Plant and equipment	4	944	1,077
Investment property	5	3,169,000	3,136,000
Financial derivatives	10	19	–
		3,169,963	3,137,077
Current assets			
Inventories		–	568
Trade and other receivables	6	4,967	5,007
Cash and cash equivalents	7	38,457	13,252
		43,424	18,827
Total assets		3,213,387	3,155,904
Current liabilities			
Trade and other payables	8	54,210	35,905
Interest-bearing liabilities	9	–	1,042,763
Distribution payable		38,254	36,690
Current portion of security deposits		10,351	14,826
Financial derivatives	10	382	–
		103,197	1,130,184
Non-current liabilities			
Interest-bearing liabilities	9	1,097,518	–
Non-current portion of security deposits		20,360	15,340
Financial derivatives	10	294	–
		1,118,172	15,340
Total liabilities		1,221,369	1,145,524
Net assets		1,992,018	2,010,380
Represented by:			
Unitholders' funds		1,992,018	2,010,380
Units issued / to be issued ('000)	11	1,393,995	1,381,018
		\$	\$
Net asset value per Unit		1.43	1.46

The accompanying notes form an integral part of these financial statements.

Statement of Total Return
Year ended 31 December 2016

	Note	2016 \$'000	2015 \$'000
Gross revenue	12	234,613	234,355
Property operating expenses	13	(59,539)	(61,216)
Net property income		<u>175,074</u>	<u>173,139</u>
Interest income		30	13
Finance costs	14	(29,093)	(35,031)
Asset management fees			
- Base fee		(7,994)	(7,857)
- Performance fee		(7,003)	(6,926)
Audit fees		(80)	(80)
Professional fees		(29)	(46)
Valuation fees		(155)	(177)
Trustee-Manager's fees		(400)	(393)
Other expenses		-	(19)
Net income		<u>130,350</u>	<u>122,623</u>
Net change in fair value of investment property	5	(18,739)	13,089
Total return for the year before tax		<u>111,611</u>	<u>135,712</u>
Tax expense	15	-	-
Total return for the year attributable to Unitholders before distribution		<u><u>111,611</u></u>	<u><u>135,712</u></u>

The accompanying notes form an integral part of these financial statements.

Distribution Statement
Year ended 31 December 2016

	2016	2015
	\$'000	\$'000
Total return for the year attribute to Unitholders before distribution	111,611	135,712
Net tax adjustments (Note A)	36,421	5,680
Amount available for distribution to Unitholders	148,032	141,392
Distributions paid and payable to Unitholders:		
Distribution paid for the period from 1 January to 31 March	(36,090)	(34,638)
Distribution paid for the period from 1 April to 30 June	(35,673)	(35,524)
Distribution paid for the period from 1 July to 30 September	(38,015)	(34,540)
Distribution payable for the period from 1 October to 31 December	(38,254)	(36,690)
	(148,032)	(141,392)
Distribution per unit (cents)	10.62	10.24
Note A – Net tax adjustments comprise:		
Non-tax (chargeable)/deductible items:		
- trustee-manager's fees	400	393
- asset management fees paid/payable in units	14,997	14,783
- depreciation and amortised transaction costs	2,191	3,612
- net change in fair value of investment property	18,739	(13,089)
- other items	94	(19)
Net tax adjustments	36,421	5,680

The accompanying notes form an integral part of these financial statements.

Statement of Movements in Unitholders' Funds
Year ended 31 December 2016

	2016	2015
	\$'000	\$'000
Net assets at beginning of the year	2,010,380	2,001,316
Operations		
Total return for the year attributable to Unitholders before distribution	111,611	135,712
Increase in net assets resulting from operations	<u>111,611</u>	<u>135,712</u>
Unitholders' transactions		
Creation of units:		
- Asset management fees paid/to be paid in units	18,716	14,744
Distributions paid and payable to Unitholders	<u>(148,032)</u>	<u>(141,392)</u>
Net decrease in net assets resulting from Unitholders' transactions	<u>(129,316)</u>	<u>(126,648)</u>
Hedging reserves		
Effective portion of change in fair value of cash flow hedge	<u>(657)</u>	<u>–</u>
Net assets at end of the year	<u>1,992,018</u>	<u>2,010,380</u>

The accompanying notes form an integral part of these financial statements.

Portfolio Statement
As at 31 December 2016

Description of property	Tenure of land	Term of lease	Remaining term of lease	Location	Existing use	At valuation		Percentage of total net assets at	
						2016 \$'000	2015 \$'000	2016 %	2015 %
Raffles City Singapore	Leasehold	99 years	62 years	250 and 252 North Bridge Road, 2 Stamford Road and 80 Bras Basah Road	Retail Office Hotel	3,169,000	3,136,000	159.1	156.0
Other assets and liabilities (net)						(1,176,982)	(1,125,620)	(59.1)	(56.0)
Net assets						<u>1,992,018</u>	<u>2,010,380</u>	<u>100.0</u>	<u>100.0</u>

As at 31 December 2016, an independent valuation of Raffles City Singapore was conducted by Knight Frank Pte Ltd (2015: CBRE) for office/retail components and Jones Lang LaSalle (2015: CBRE) for hotel component. The valuations were based on Capitalisation Approach and Discounted Cash Flow Analysis. The Comparable Sales Method is used as a check against the derived values of the two main methods where applicable. The valuation adopted was \$3,169,000,000 (2015: \$3,136,000,000). The net change in fair value of investment property has been taken to the statement of total return.

The investment property is a commercial property that is leased to external tenants. Generally, the retail and office leases contain an initial non-cancellable period of three years. Subsequent renewals are negotiated with the lessee. The two hotels are on a long-term lease for 25 years to 2036. Contingent rents representing income based on certain sales achieved by the tenants, recognised in the statement of total return, amounted to \$24,274,000 (2015: \$25,011,000).

The accompanying notes form an integral part of these financial statements.

Statement of Cash Flows
Year ended 31 December 2016

	Note	2016	2015
		\$'000	\$'000
Cash flows from operating activities			
Total return for the year before income tax		111,611	135,712
Adjustments for:			
(Utilisation of)/Allowance for impairment loss on trade receivables		(5)	5
Amortisation of lease incentives		72	121
Asset management fees paid and payable in Units		14,997	14,783
Depreciation of plant and equipment		209	205
Finance costs		29,093	35,031
Interest income		(30)	(13)
Net change in fair value of investment property		18,739	(13,089)
Operating income before working capital changes		<u>174,686</u>	<u>172,755</u>
Changes in working capital:			
Trade and other receivables		573	1,664
Trade and other payables		4,948	(245)
Security deposits		545	1,456
Net cash from operating activities		<u>180,752</u>	<u>175,630</u>
Cash flows from investing activities			
Capital expenditure on investment property		(34,757)	(11,676)
Purchase of plant and equipment		(68)	(383)
Net cash used in investing activities		<u>(34,825)</u>	<u>(12,059)</u>
Cash flows from financing activities			
Proceeds from interest-bearing borrowings		1,125,500	14,000
Repayment of borrowings		(1,069,500)	–
Distribution to Unitholders		(146,468)	(141,195)
Interest paid		(27,402)	(31,502)
Interest received		30	13
Payment of transaction costs related to borrowings		(2,882)	(798)
Net cash used in financing activities		<u>(120,722)</u>	<u>(159,482)</u>
Net increase in cash and cash equivalents		25,205	4,089
Cash and cash equivalents at beginning of the year		<u>13,252</u>	<u>9,163</u>
Cash and cash equivalents at end of the year	7	<u><u>38,457</u></u>	<u><u>13,252</u></u>

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Management Committee and Trustee-Manager of RCS Trust on 15 February 2017.

1 General

RCS Trust (the "Trust") is a Singapore-domiciled unit trust established pursuant to the trust deed dated 18 July 2006 (as amended by a first supplemental deed dated 23 December 2016 (collectively the "Trust Deed")) between HSBC Institutional Trust Services (Singapore) Limited (the "Trustee-Manager"), HSBC Institutional Trust Services (Singapore) Limited (as trustee of CapitaLand Commercial Trust), HSBC Institutional Trust Services (Singapore) Limited (as trustee of CapitaLand Mall Trust), CapitaLand Commercial Trust Management Limited and CapitaLand Mall Trust Management Limited. The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee-Manager is under a duty to take into custody and hold the assets of the Trust in trust for the holders ("Unitholders") of units in the Trust (the "Units").

The principal activity of the Trust is to invest in income producing real estates which are used or substantially used for commercial purposes, with the primary objective of achieving an attractive level of return from rental income and for long-term capital growth.

The Trust has entered into several service agreements in relation to management of the Trust and its property operations. The fee structures of these services are as follows:

(i) Property management fees

Under the Property Management Agreement, property management fees are charged as follows:

- (a) 2.0% per annum of the property income of the property; and
- (b) 2.5% per annum of the net property income of the property.

The property management fees are payable monthly in arrears.

(ii) Asset management fees

Pursuant to the Trust Deed, the asset management fees comprise a base component of 0.25% per annum of the value of Deposited Property and a performance component of 4% per annum of the net property income of the Trust for each quarter. Deposited Property refers to all the assets of the Trust, including all its authorised investment for the time being held or deemed to be held upon the trusts of the Trust Deed.

The asset management fee shall be paid entirely in the form of Units or, with the unanimous approval of CapitaLand Commercial Trust Management Limited and CapitaLand Mall Trust Management Limited, either partly in units and partly in cash or wholly in cash.

The base and performance components of the asset management fees are payable quarterly and yearly in arrears respectively.

(iii) Trustee-Manager's fees

Pursuant to the Trust Deed, the Trustee-Manager's fees shall not exceed 0.10% per annum of the value of Deposited Property, as defined in the Trust Deed (subject to a minimum sum of \$15,000 per month), payable out of the Deposited Property of the Trust. The Trustee-Manager is also entitled to reimbursement of expenses incurred in the performance of its duties under the Trust Deed.

The Trustee-Manager's fees are payable quarterly in arrears.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Statement of Recommended Accounting Practice ("RAP") 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed. RAP 7 requires that accounting policies adopted should generally comply with the principles relating to recognition and measurement of the Singapore Financial Reporting Standards ("FRS").

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis, except for investment property and certain financial assets and financial liabilities which are stated at fair value.

2.3 Functional and presentation currency

The financial statements are presented in Singapore dollars, which is the Trust's functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgments

The preparation of the financial statements in conformity with RAP 7 requires the Trustee-Manager to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 5 – Valuation of investment property
- Note 16 – Valuation of financial instruments

Measurement of fair values

A number of the Trust's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Trust uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Trust recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 5 – Valuation of investment property
- Note 16 – Valuation of financial instruments

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Trust.

3.1 Plant and equipment

Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

The gain or loss on disposal of an item of plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of plant and equipment, and is recognised in the statement of total return.

Subsequent costs

The cost of replacing a component of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Trust, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in the statement of total return as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in the statement of total return on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment.

Depreciation is recognised from the date that the plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

Furniture, fittings and equipment	-	2 to 5 years
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Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.2 *Investment property*

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in the statement of total return.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. Fair value is determined in accordance with the Trust Deed, which requires the investment property to be valued by independent registered valuers as and when deemed appropriate by the Trustee-Manager.

Subsequent expenditure is recognised in the carrying amount of the investment property if it is probable that future economic benefits associated with the item will flow to the Trust and the cost of the item can be measured reliably.

3.3 *Financial instruments*

Derivative financial instruments, including hedge accounting

The Trust holds derivative financial instruments to hedge its interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through the statement of total return.

On initial designation of the derivative as a hedging instrument, the Trust formally documents the relationship between the hedging instrument and hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Trust makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, whether the hedging instruments are expected to be “highly effective” in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk, and whether the actual results of each hedge are within a range of 80% – 125%. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that ultimately could affect the reported statement of total return.

Derivative financial instruments are recognised initially at fair value; any attributable transaction costs are recognised in the statement of total return as incurred. Subsequent to initial recognition, derivative financial instruments are measured at fair value, and changes therein are accounted for as described below.

Cash flow hedge

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect the statement of total return, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve in Unitholders’ funds. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the statement of total return.

When the hedged item is a non-financial asset, the amount accumulated in the hedging reserve is reclassified to the statement of total return in the same period or periods during which the non-financial item affects the statement of total return. In other cases as well, the amount accumulated in the hedging reserve is reclassified to the statement of total return in the same period that the hedged item affects the statement of total return. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the balance in the hedging reserve is reclassified to the statement of total return.

Non-derivative financial assets

The Trust initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Trust becomes a party to the contractual provisions of the instrument.

The Trust derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Trust is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Trust has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Trust has the following non-derivative financial assets: loans and receivables.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, and trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

Non-derivative financial liabilities

The Trust initially recognises all other financial liabilities on the trade date, which is the date that the Trust becomes a party to the contractual provisions of the instrument.

The Trust derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Trust classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, security deposits and trade and other payables.

Unitholders' funds

Unitholders' funds are classified as equity. Incremental costs directly attributable to the issue of units are recognised as a deduction from equity.

3.4 *Impairment*

Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event(s) has occurred after the initial recognition of the asset, and that the loss event(s) has an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy or economic conditions that correlate with defaults.

Loans and receivables

The Trust considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Trust uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for the Trustee-Manager's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in the statement of total return and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When the Trust considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the statement of total return.

Non-financial assets

The carrying amounts of the Trust's non-financial assets, other than investment property and inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amounts are estimated. An impairment loss is recognised in the statement of total return if the carrying amount of an asset or its cash generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.5 *Revenue recognition*

Rental income from operating leases

Rental income receivable under operating leases is recognised in the statement of total return on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals, which include gross turnover rental, are recognised as income in the accounting period on a receipt basis. No contingent rentals are recognised if there are uncertainties due to the possible return of amounts received.

Car park income

Car park income is recognised in the statement of total return on a time apportioned basis.

Interest income

Interest income is recognised in the statement of total return as it accrues, using the effective interest method.

3.6 *Expenses*

Property operating expenses

Property operating expenses consist of property tax, utilities, maintenance, property management reimbursements, property management fees, marketing expenses and other property outgoings in relation to investment properties where such expenses are the responsibility of the Trust.

Property management fees

Property management fees are recognised on an accrual basis based on the applicable formula stipulated in Note 1(i).

Asset management fees

Asset management fees are recognised on an accrual basis using the applicable formula stipulated in Note 1(ii).

Trustee-Manager's fees

The Trustee-Manager's fees are recognised on an accrual basis using the applicable formula stipulated in Note 1(iii).

3.7 *Finance costs*

Finance costs comprise interest expense on borrowings and amortisation of loan related transaction costs. All finance costs are recognised in the statement of total return using the effective interest method.

3.8 *Tax*

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the statement of total return except to the extent that it relates to items directly related to Unitholders' funds, in which case it is recognised in Unitholders' funds.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Trust expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Trust takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Trust believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Trust to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

The Inland Revenue Authority of Singapore ("IRAS") has issued a tax ruling on the income tax treatment of the Trust. Subject to meeting the terms and conditions of the tax ruling, the Trust is not subject to tax on the taxable income of the Trust. The taxable income of the Trust are distributed in full to its Unitholders. The Unitholders will include their respective shares of the taxable income for distribution to their own Unitholders, subject to their own distribution policy. This tax transparency treatment granted to the Trust does not apply to gains from the sale of real properties that are determined by the IRAS to be trading gains.

The Trust has a distribution policy where it is required to distribute at least 90% of its taxable income, other than gains from the sale of real estate properties that are determined by the IRAS to be trading gains. For the taxable income that is not distributed, referred to as retained taxable income, tax will be assessed on the Trust. Where such retained taxable income is subsequently distributed, the Trust need not deduct tax at source.

3.9 *New standards and interpretations not yet adopted*

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2016 and earlier application is permitted; however, the Trust has not early applied the following new or amended standards in preparing these statements.

Applicable to 2017 financial statements

RAP 7

The Recommended Accounting Practice 7 (RAP 7) was revised in June 2016 to take into account, amongst others, the changes made to FRS 32 Financial Instruments: Presentation and FRS 107 Financial Instruments: Disclosures in relation to the offsetting of financial assets and liabilities; and new standards issued after 2012 including FRS 110 Consolidated Financial Statements, FRS 112 Disclosure of Interest in Other Entities and FRS 113 Fair Value Measurement. RAP 7 (Revised June 2016) is applicable to unit trusts with annual periods beginning on or after 1 July 2016. Certain additional disclosures would be required by the Revised RAP 7.

Applicable to 2018 financial statements

FRS 115 *Revenue from Contracts with Customers*

FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

When effective, FRS 115 replaces existing revenue recognition guidance, including FRS 18 *Revenue*, FRS 11 *Construction Contracts*, INT FRS 113 *Customer Loyalty Programmes*, INT FRS 115 *Agreements for the Construction of Real Estate*, INT FRS 118 *Transfers of Assets from Customers* and INT FRS 31 *Revenue – Barter Transactions Involving Advertising Services*.

FRS 115 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted.

Potential impact on the financial statements

The Trust does not expect the impact on the financial statements to be significant.

Transition - The Trust plans to adopt the standard when it becomes effective in 2018.

FRS 109 Financial Instrument

FRS 109 replaces most of the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement*. It includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from FRS 39.

FRS 109 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted.

Potential impact on the financial statements

The Trust does not expect a significant impact on its opening equity.

The Trust's initial assessment of the three elements of FRS 109 is as described below.

Classification and measurement

The Trust does not expect a significant change to the measurement basis arising from adopting the new classification and measurement model under FRS 109.

Loans and receivables that are currently accounted for at amortised cost will continue to be accounted for using amortised cost model under FRS 109.

For financial assets currently held at fair value, the Trust expects to continue measuring most of these assets at fair value under FRS 109.

Impairment

The Group plans to apply the simplified approach and record lifetime expected impairment losses on all trade receivables and any contract assets arising from the application of FRS 115. On adoption of FRS 109, the Group does not expect a significant increase in the impairment loss allowance.

Hedge accounting

The Trust expects that all its existing hedges that are designated in effective hedging relationships will continue to qualify for hedge accounting under FRS 109.

Transition

The Trust plans to adopt the standard when it becomes effective in 2018 without restating comparative information

Applicable to 2019 financial statements

FRS 116 Leases

FRS 116 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use (ROU) assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

FRS 116 substantially carries forward the lessor accounting requirements in FRS 17 *Leases*.

Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the FRS 17 operating lease and finance lease accounting models respectively. However, FRS 116 requires more extensive disclosures to be provided by a lessor.

When effective, FRS 116 replaces existing lease accounting guidance, including FRS 17, INT FRS 104 *Determining whether an Arrangement contains a Lease*, INT FRS 15 *Operating Leases – Incentives*, and INT FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

FRS 116 is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted if FRS 115 is also applied.

Potential impact on the financial statements

The Trust has performed a preliminary high-level assessment of the new standard on its existing operating lease arrangements as a lessee. Based on the preliminary assessment, the Trust expects these operating leases to be recognised as ROU assets with corresponding lease liabilities under the new standard.

The Trust plans to adopt the standard when it becomes effective in 2019.

Overall, the Trust does not expect a significant impact on its financial statements.

4 Plant and equipment

	Furniture, fittings and equipment	
	2016	2015
	\$'000	\$'000
Cost		
At 1 January	1,911	1,706
Additions	76	393
Disposals	(3)	(188)
At 31 December	<u>1,984</u>	<u>1,911</u>
Accumulated depreciation		
At 1 January	834	817
Depreciation for the year	209	205
Disposals	(3)	(188)
At 31 December	<u>1,040</u>	<u>834</u>
Carrying amount		
At 31 December	<u>944</u>	<u>1,077</u>

5 Investment property

	2016	2015
	\$'000	\$'000
At 1 January	3,136,000	3,109,500
Capital expenditure	51,739	13,411
	<u>3,187,739</u>	<u>3,122,911</u>
Net change in fair value of investment property recognised in statement of total return	(18,739)	13,089
At 31 December	<u>3,169,000</u>	<u>3,136,000</u>

Fair value hierarchy

The fair value of investment property is determined by two external and independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued.

The fair value measurement for investment property of \$3,169,000,000 (2015: \$3,136,000,000) has been categorised as Level 3 fair value based on the inputs to the valuation technique used (Note 2.4).

Level 3 fair value

There were no transfers between levels during the year (2015: Nil).

Valuation technique

Investment properties are stated at fair value based on valuations performed by independent professional valuers. In determining the fair value, the valuations are prepared by considering the estimated rental value of the property by applying the appropriate valuation methods i.e. the capitalisation method and discounted cash flow method.

The capitalisation approach is an investment approach whereby the estimated gross passing income (on both a passing and market rent basis) is adjusted to reflect anticipated operating costs and ongoing vacancy to produce a net income on a fully leased basis. The adopted fully leased net income is capitalised over the remaining term of the land lease from the valuation date at an appropriate capitalisation rate. The discounted cash flow method involves the estimation and projection of a net income stream over a period and discounting the net income stream with an internal rate of return to arrive at the market value.

In determining the fair values of investment properties, the valuers have used the above valuation methods which involve certain estimates. The Management Committee reviews the key valuation parameters and underlying data including market-corroborated capitalisation rate and discount rate adopted by the valuers and is of view that they are reflective of the market conditions as at the reporting dates.

Significant unobservable inputs

The following table shows the significant unobservable inputs used in the valuation models.

Description	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Investment property		
Raffles City Singapore	<ul style="list-style-type: none"> Capitalisation rate 4.25% to 5.25% (2015: from 4.25% to 5.25%) Discount rate 7.40% to 7.41% (2015: from 7.30% to 7.40%) 	The estimated fair value would increase/(decrease) if the capitalisation rates and discount rates were lower/(higher).

Significant unobservable inputs

Significant unobservable inputs correspond to:

- Capitalisation rate corresponds to a rate of return investment properties based on the expected income that the property will generate.
- Discount rate, based on the risk-free rate for 10-year bonds issued by the Singapore government, adjusted for a risk premium to reflect the risk of investing in the asset class.

6 Trade and other receivables

	2016 \$'000	2015 \$'000
Trade receivables	641	580
Allowance for impairment losses	–	(5)
Net trade receivables	641	575
Amount due from a related party (trade)	–	17
Deposits	3,189	3,211
Other receivables	917	1,030
Loans and receivables	4,747	4,833
Prepayments	220	174
	<u>4,967</u>	<u>5,007</u>

The outstanding balance with the related party is unsecured, interest-free and repayable on demand.

Concentration of credit risk relating to trade receivables is limited due to the Trust's many varied tenants. These tenants are engaged in diversified businesses and are of good quality and strong credit standing. The Trust's historical experience in the collection of accounts receivable falls within the recorded allowances. Due to these factors, the Trustee-Manager believes that no additional credit risks beyond amounts provided for collection losses is inherent in the Trust's trade receivables.

The maximum exposure to credit risk for trade receivables at the reporting date (by type of consumers) is:

	2016 \$'000	2015 \$'000
Retail	583	570
Office	58	10
	<u>641</u>	<u>580</u>

The Trust's most significant tenant accounted for \$87,000 (2015: \$97,000) of the trade receivables carrying amount as at 31 December 2016.

Impairment losses

The ageing of trade receivables at the reporting date is:

	2016		2015	
	Gross \$'000	Impairment losses \$'000	Gross \$'000	Impairment losses \$'000
Not past due	443	–	412	–
Past due 31 – 60 days	168	–	156	–
Past due 61 – 90 days	24	–	1	–
Past due more than 90 days	6	–	11	5
	<u>641</u>	<u>–</u>	<u>580</u>	<u>5</u>

The movement in allowance for impairment in respect of trade receivables during the year was as follows:

	2016 \$'000	2015 \$'000
At 1 January	5	–
Allowance recognised during the year	1	5
Allowance utilised during the year	(6)	–
At 31 December	<u>–</u>	<u>5</u>

The Trustee-Manager believes that no additional impairment allowance is necessary in respect of the remaining trade receivables as these receivables are mainly arising from tenants that have a good record with the Trust and have sufficient security deposits as collateral.

7 Cash and cash equivalents

	2016	2015
	\$'000	\$'000
Cash at bank and in hand	3,457	2,252
Fixed deposits with financial institutions	35,000	11,000
	<u>38,457</u>	<u>13,252</u>

The weighted average effective interest rates relating to fixed deposits with financial institutions at the reporting date is 0.81% (2015: 0.91%) per annum for the Trust.

8 Trade and other payables

	2016	2015
	\$'000	\$'000
Trade payables and accrued operating expenses	40,690	17,886
Amounts due to related parties (trade)	1,857	5,389
Other deposits and advances	3,954	4,456
Other payables	7,709	8,174
	<u>54,210</u>	<u>35,905</u>

Included in trade payables and accrued operating expenses are capital expenditures of \$20,500,000 (2015: \$3,800,000) for the renovation works of its investment property.

9 Interest-bearing liabilities

	2016	2015
	\$'000	\$'000
Non-current liabilities		
Term loans (unsecured)	1,100,000	–
Unamortised transaction costs	(2,482)	–
	<u>1,097,518</u>	<u>–</u>
Current liabilities		
Term loans (secured)	–	1,000,000
Unamortised transaction costs	–	(1,051)
	<u>–</u>	<u>998,949</u>
Revolving credit facility (secured)	–	44,000
Unamortised transaction costs	–	(186)
	<u>–</u>	<u>43,814</u>
	<u>–</u>	<u>1,042,763</u>

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Nominal interest rate %	Year of maturity	2016		2015	
			Face value \$'000	Carrying amount \$'000	Face value \$'000	Carrying amount \$'000
SGD fixed rate term loans	3.025 to 3.09	2016	–	–	1,000,000	998,949
SGD floating rate revolving credit facility loan	SOR + margin	2016	–	–	44,000	43,814
SGD floating rate term loans	SOR + margin	2018 to 2021	1,100,000	1,097,518	–	–
			<u>1,100,000</u>	<u>1,097,518</u>	<u>44,000</u>	<u>43,814</u>

SOR – Swap Offer Rate

The following are the expected contractual undiscounted cash outflows of financial liabilities, including interest payments and excluding the impact of netting agreements:

	Carrying amount \$'000	Cash flows			
		Contractual cash flows \$'000	Within 1 year \$'000	Within 2 to 5 years \$'000	After 5 years \$'000
2016					
Non-derivative financial liabilities					
Floating rate term loans	1,097,518	1,180,412	22,701	1,157,711	
Security deposits	30,711	30,711	10,351	20,360	–
Trade and other payables	54,210	54,210	54,210	–	–
	<u>1,182,439</u>	<u>1,265,333</u>	<u>87,262</u>	<u>1,178,071</u>	<u>–</u>

	Carrying amount \$'000	-----Cash flows-----			Carrying amount \$'000
		Contractual cash flows \$'000	Carrying amount \$'000	Contractual cash flows \$'000	
2015					
Non-derivative financial liabilities					
Fixed rate term loans	998,949	1,014,544	1,014,544	–	–
Floating rate revolving credit facility loan	43,814	44,458	44,458	–	–
Security deposits	30,166	30,166	14,826	15,340	–
Trade and other payables	35,905	35,905	35,905	–	–
	<u>1,108,834</u>	<u>1,125,073</u>	<u>1,109,733</u>	<u>15,340</u>	<u>–</u>

On 15 April 2016, the Trustee-manager entered into unsecured loan facility agreements of up to S\$1,400 million with various banks. The banks provide loan facilities of various maturities to refinance RCS Trust's borrowings and for RCS Trust's future general corporate and working capital purposes (the "RCS Bank Facilities").

The Trustee-manager has drawn down a portion of the RCS Bank Facilities to repay the outstanding loans from Silver Oak Ltd. to RCS Trust (the "Silver Oak Loans") of \$1,070 million which matured on 21 June 2016. All security granted by RCS Trust in favor of Silver Oak over Raffles City Singapore, in respect of the Silver Oak Loans has been discharged and released following the full repayment of the Silver Oak Loans.

10 Financial derivatives

	2016 \$'000	2015 \$'000
Non-current assets		
Interest rate swaps	<u>19</u>	–
Current liabilities		
Interest rate swaps	<u>382</u>	–
Non-current liabilities		
Interest rate swaps	<u>294</u>	–

During the year the Trust entered into interest rate swaps to hedge the exposure to varying cash flows due to changes in interest rates. At 31 December 2016, the Trust held interest rate swaps with a total notional contract amount of \$524 million.

Offsetting financial assets and financial liabilities

The disclosures set out in the tables below include financial assets and financial liabilities that are subject to an enforceable master netting arrangement, irrespective of whether they are offset in the Statement of Financial Position.

The Group entered into International Swaps and Derivatives Association (“ISDA”) Master Agreements with various bank counterparties (“ISDA Master Agreement”). In certain circumstances following the occurrence of a termination event as set out in an ISDA Master Agreement, all outstanding transactions under such ISDA Master Agreement may be terminated and the early termination amount payable to one party under such agreements may be offset against amounts payable to the other party such that only a single net amount is due or payable in settlement of all transactions.

In accordance with accounting standards, the swaps presented below are not offset in the Statement of Financial Position as the right of set-off of recognised amounts is enforceable only following the occurrence of a termination event as set out in such ISDA Master Agreement. In addition the Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

	Gross amounts of recognised financial instruments \$'000	Gross amounts of recognised financial instruments offset in the statement of financial position \$'000	Net amounts of financial instruments included in the statement of financial position \$'000	Related financial instruments that are not offset \$'000	Net amount \$'000
31 December 2016					
Financial Asset					
Interest rate swaps	19	–	19	(19)	–
Financial liabilities					
Interest rate swaps	676	–	676	(19)	657

The following are the expected contractual undiscounted cash outflows of financial liabilities that are subjected to the above agreements.

	Carrying amount \$'000	Contractual cash flows \$'000	Cash flows		
			Within 1 year \$'000	Within 2 to 5 years \$'000	More than 5 years \$'000
31 December 2016					
Derivative financial instruments					
Interest rate swaps	(657)	920	210	710	–

11 Units issued / to be issued

	Number of units	
	2016 '000	2015 '000
Units issued:		
As at 1 January	1,381,018	1,370,919
Asset management fees paid in units	6,664	10,099
As at 31 December	<u>1,387,682</u>	<u>1,381,018</u>
Units to be issued:		
Asset management fees to be paid in units	6,313	–
As at 31 December	<u>1,393,995</u>	<u>1,381,018</u>

Each Unit in the Trust represents an undivided interest in the Trust. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:

- Receive income and other distributions attributable to the Units held;
- Attend all Unitholders' meetings. The Trustee-Manager may whenever it thinks fit, and shall on requisition in accordance with the relevant laws, regulations and guidelines, proceed to convene a meeting of Unitholders in accordance with the provisions of the Trust Deed;
- One vote per Unit; and
- Participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust. However, a Unitholder has no equitable or proprietary interest in the underlying assets of the Trust and is not entitled to the transfer to it of any assets (or part thereof) or of any estate or interest in any asset (or part thereof) of the Trust.

The restrictions of a Unitholder include the following:

- A Unitholder's right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed.

Under the Trust Deed, a Unitholder's liability is limited to the amount paid or payable for any Units in the Trust. The provisions of the Trust Deed provide that no Unitholders will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that liabilities of the Trust exceed its assets.

12 Gross revenue

	2016	2015
	\$'000	\$'000
Gross rental income:		
- Office	37,844	38,068
- Retail	99,573	99,922
- Hotel	86,087	85,707
	<u>223,504</u>	<u>223,697</u>
Car park income	5,510	5,915
Others	5,599	4,743
	<u><u>234,613</u></u>	<u><u>234,355</u></u>

13 Property operating expenses

	2016	2015
	\$'000	\$'000
Property tax	20,315	20,351
Utilities	8,888	10,196
Property management reimbursements	8,401	8,208
Property management fees	9,302	9,247
Marketing and related expenses	2,592	2,189
Maintenance	9,503	9,345
General administrative expenses	329	1,475
Depreciation of plant and equipment	209	205
	<u>59,539</u>	<u>61,216</u>

14 Finance costs

	2016	2015
	\$'000	\$'000
Interest expense	27,111	31,624
Amortisation of transaction costs	1,982	3,407
	<u><u>29,093</u></u>	<u><u>35,031</u></u>

15 Tax expense

Reconciliation of effective tax rate

	2016 \$'000	2015 \$'000
Total return for the year before tax	111,611	135,712
Tax using the Singapore tax rate of 17% (2015: 17%)	18,974	23,071
Non-tax deductible items	3,006	3,191
Income not subject to tax	3,185	(2,225)
Tax transparency	(25,165)	(24,037)
	<u>–</u>	<u>–</u>

16 Financial risk management

Capital management

The Management Committee reviews the Trust's capital management regularly so as to optimise the Trust's funding structure. The Management Committee also monitors the Trust's exposure to various risk elements by closely adhering to clearly established management policies and procedures.

The objectives of the debt and capital management are to:

- a. adopt and maintain an optimal gearing level;
- b. secure diversified funding sources from both financial institutions and capital markets; and
- c. adopt a proactive interest rate management strategy to manage risks related to interest rate fluctuations.

The Management Committee seeks to maintain a combination of debt and equity in order to optimise its funding structure. There were no changes in the Trust's approach to capital management during the year.

Overview of risk management

Risk management is integral to the whole business of the Trust. The Trust has a system of controls in place to create an acceptable balance between the costs of risks occurring and the cost of managing the risks. The Management Committee continually monitors the Trust's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Trust's activities.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a tenant or a counterparty to settle its financial and contractual obligations to the Trust as and when they fall due.

Credit evaluations of tenants are performed before the lease agreements are signed with tenants. Outstanding balances by the tenants are monitored closely on an ongoing basis.

The Management Committee establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main component of this allowance is a specific loss component that relates to the individually significant exposure.

The allowance account in respect of trade and other receivables is used to record impairment losses unless the Trust is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

Cash and fixed deposits are placed with financial institutions which are regulated.

At 31 December 2016 and 31 December 2015, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying value of each financial asset on the Statement of Financial Position.

Liquidity risk

Liquidity risk is the risk that the Trust will not be able to meet its financial obligations as they fall due. The Management Committee monitors its liquidity risk and maintains a level of cash and cash equivalents and refinances borrowings to finance the Trust's operations and to mitigate the effects of fluctuation in cash flows.

Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Trust's total return.

Interest rate risk

The Trust's exposure to changes in interest rates relates primarily to interest-bearing financial liabilities. Interest rate risk is managed by the Management Committee on an ongoing basis with the primary objective of limiting the extent to which net interest expense could be affected by adverse movements in interest rates.

Interest rate swaps with a total notional amount of \$524 million by the Trust have been entered into the reporting date. The swaps are being used to hedge, the exposure to carrying cash flows are to changes in interest rates.

The fair value of interest rate swaps as at 31 December 2016 for the Trust was \$0.657 million. Interest rate swaps represented 0.03% of net assets of the Trust.

Sensitivity analysis

In managing the interest rate risk, the Management Committee aims to reduce the impact of short-term fluctuations on the Trust's total return before tax.

For variable rate financial liabilities, a change of 100 basis points (“bp”) in interest rates at the reporting date would increase/(decrease) Statement of Total Return and Unitholders’ Funds by amounts shown below. This analysis assumes that all other variables remain constant.

	Statement of total return		Unitholders’ Funds	
	100bp increase \$’000	100bp decrease \$’000	100 bp increase \$’000	100bp decrease \$’000
31 December 2016				
Variable rate financial liabilities	(11,000)	11,000	–	–
Interest rate swaps	(7)	7	–	–
Cash flow sensitivity	(11,007)	11,007	–	–
31 December 2015				
Variable rate financial liabilities	(440)	440	–	–
Cash flow sensitivity	(440)	440	–	–

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximate fair value.

Note	Carrying amount		Fair value				
	Loans and receivables \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
31 December 2016							
Financial assets not measured at fair value							
6	4,747	-	4,747	-	-	-	-
7	38,457	-	38,457	-	-	-	-
10	19	-	19	-	19	-	19
	43,223	-	43,223	-	-	-	-
Financial liabilities not measured at fair value							
8	-	(54,210)	(54,210)	-	(1,166,416)	-	(1,166,416)
9	-	(1,097,518)	(1,097,518)	-	(30,015)	-	(30,015)
10	-	(676)	(676)	-	(676)	-	(676)
	-	(1,183,115)	(1,183,115)	-	-	-	-

Note	Carrying amount			Fair value			
	Loans and receivables \$'000	Other financial liabilities \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
31 December 2015							
Financial assets not measured at fair value							
6	4,833	-	4,833				
7	13,252	-	13,252				
	18,085	-	18,085				
Financial liabilities not measured at fair value							
8	-	(35,905)	(35,905)				
9	-	(1,042,763)	(1,042,763)		(1,048,143)		(1,048,143)
	-	(30,166)	(30,166)		(29,274)		(29,274)
	-	(1,108,834)	(1,108,834)				

Interest rates used in determining the fair value

The interest rates used to discount estimated cash flows, where applicable, is computed from the market rates for the Trust as follows:

	2016	2015
	%	%
Security deposits	1.76	3.04
Interest-bearing liabilities	1.27 – 2.63	2.20 – 2.54

Fair value hierarchy

The table below analyses assets and liabilities carried at fair value. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 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
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Measurement of fair values

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments of the Trust.

(i) Derivatives

The fair value of interest rate swaps is the estimated amount that would be received or paid to terminate the swaps at the reporting date, taking into account current interest rates and the current creditworthiness of the swap counterparties.

Fair values of interest rate swaps and cross currency swaps are obtained based on quotes provided by the financial institution at the reporting date.

(ii) Other financial assets and liabilities

The fair value of quoted securities is their quoted bid price at the balance sheet date. The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents and trade and other payables) are assumed to approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine their fair value.

17 Related parties

For the purposes of these financial statements, parties are considered to be related to the Trust if the Trust has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Trust and the party are subject to common significant influence. Related parties may be individuals or other entities.

In the normal course of the operations of the Trust, the Trustee-Manager's fees have been paid or are payable to the Trustee-Manager.

Pursuant to the Joint Venture Agreement dated 18 July 2006, the Trustee-Manager has appointed a Management Committee which comprises members appointed by CapitaLand Commercial Trust Management Limited and CapitaLand Mall Trust Management Limited, as its agent and to act on its behalf to exercise all of the Trustee-Manager's powers and discretions. As such, the Trustee-Manager's fees were paid and payable to the Management Committee.

Transactions with key management personnel

Key management personnel compensation

Key management personnel of the Trust are those parties having authority and responsibility for planning, directing and controlling the activities of the Trust, directly or indirectly. The Trustee-Manager and management committee are considered as key management personnel. There is no remuneration paid or payable to key management personnel.

Other related party transactions

During the financial year, other than those disclosed elsewhere in the financial statements, the following significant related party transactions were carried out in the normal course of business on commercial terms:

	2016	2015
	\$'000	\$'000
Asset management fees to related companies	14,997	14,783
Project management fees to related companies	1,443	783
Property management fees to a related company	9,302	9,247
Marketing and related expenses to related companies	722	721
Property management reimbursables to a related company	8,401	8,208
	<hr/> <hr/>	<hr/> <hr/>

18 Commitments

	2016	2015
	\$'000	\$'000
Capital expenditure commitments:		
- contracted but not provided for	50,164	38,662
	<hr/> <hr/>	<hr/> <hr/>

Operating lease commitments

Operating lease rental receivable

The Trust leases out its investment property. Non-cancellable operating lease rentals are receivable as follows:

	2016	2015
	\$'000	\$'000
Within 1 year	188,333	189,947
After 1 year but within 5 years	448,579	438,237
After 5 years	928,229	1,028,810
	<u>1,565,141</u>	<u>1,656,994</u>

The above operating lease receivables include the fixed component of the rent receivable under the lease agreement for the hotel, adjusted for increases in rent where such increases have been provided for under the lease agreement.

19 Financial ratios

	Note	2016	2015
		%	%
Expenses to weighted average net assets	A		
- including performance component of management fees		0.78	0.77
- excluding performance component of management fees		0.43	0.43
Portfolio turnover rate	B	–	–

Note A: The annualised ratios are computed in accordance with the guidelines of Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the Trust and exclude property operating expenses and borrowing cost.

Note B: The annualised ratio is computed based on the lesser of purchases or sales of underlying investment property of the Trust expressed as a percentage of weighted average net asset value.

ISSUER

**HSBC Institutional Trust Services (Singapore) Limited
(in its capacity as trustee-manager of RCS Trust)**

21 Collyer Quay #13-02
HSBC Building
Singapore 049320

TRUSTEE

The Bank of New York Mellon, London Branch

One Canada Square
London E14 5AL
United Kingdom

REGISTRAR AND TRANSFER AGENT

In respect of Notes cleared through CDP

**The Bank of New York Mellon,
Singapore Branch**

One Temasek Avenue
#03-01 Millenia Tower
Singapore 039192

**In respect of Notes cleared through
Euroclear/Clearstream,
Luxembourg**

**The Bank of New York Mellon
(Luxembourg) S.A.**

Vertigo Building — Polaris
2-4 rue Eugène Ruppert
L-2453 Luxembourg

ISSUING AND PAYING AGENTS

In respect of Notes cleared through CDP

**The Bank of New York Mellon,
Singapore Branch**

One Temasek Avenue
#03-01 Millenia Tower
Singapore 039192

**In respect of Notes cleared through
Euroclear/Clearstream,
Luxembourg**

The Bank of New York Mellon, London Branch

One Canada Square
London E14 5AL
United Kingdom

ARRANGER AND DEALER

The Hongkong and Shanghai Banking Corporation Limited

21 Collyer Quay
#10-01 HSBC Building
Singapore 049320

AUDITORS

KPMG LLP

16 Raffles Quay
#22-00 Hong Leong Building
Singapore 048581