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Confirmation of Your Representation: In order to be eligible to view the attached information memorandum or make an investment decision with respect to the securities, investors must not be a U.S. person (as defined in Regulation S under the Securities Act (as defined below)). The attached information memorandum is being sent at your request and by accepting this e-mail and accessing the attached information memorandum, you shall be deemed to have represented to us (1) that you are not resident in the United States (“U.S.”) nor a U.S. person, as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the “Securities Act”) nor are you acting on behalf of a U.S. person, the e-mail address that you gave us and to which this e-mail has been delivered is not located in the U.S. and, to the extent you purchase the securities described in the attached information memorandum, you will be doing so pursuant to Regulation S under the Securities Act, and (2) that you consent to delivery of the attached information memorandum and any amendments or supplements thereto by electronic transmission. By accepting this e-mail and accessing the attached information memorandum, if you are an investor in Singapore, you (A) represent and warrant that you are either an institutional investor as defined under Section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), a relevant person as defined under Section 275(2) of the SFA or a person to whom an offer, as referred to in Section 275(1A) of the SFA, is being made and (B) agree to be bound by the limitations and restrictions described therein.

The attached information memorandum has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of ARA Asset Management Limited, DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited or any person who controls any of them nor any of their respective directors, officers, employees, agents, representatives or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the information memorandum distributed to you in electronic format and the hard copy version. A hard copy version will be provided to you upon request.

Restrictions: The attached information memorandum is being furnished in connection with an offering of securities exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described therein.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of ARA Asset Management Limited, DBS Bank Ltd. or Oversea-Chinese Banking Corporation Limited to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute in the United States or elsewhere a general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or directed selling efforts (as defined in Regulation S under the Securities Act).

The attached information memorandum or any materials relating to the offering of securities 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 of securities be made by a licensed broker or dealer and the dealers or any affiliate of the dealers is a licensed broker or dealer in that jurisdiction, the offering of securities shall be deemed to be made by the dealers or such affiliate on behalf of ARA Asset Management Limited in such jurisdiction. The attached information memorandum may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply.

You are reminded that you have accessed the attached information memorandum on the basis that you are a person into whose possession the attached information memorandum 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 this information memorandum, electronically or otherwise, to any other person. **If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to subscribe for or purchase any of the securities described therein.**

Actions that You May Not Take: If you receive the attached information memorandum 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.

YOU ARE NOT AUTHORISED TO AND YOU MAY NOT FORWARD OR DELIVER THE ATTACHED INFORMATION MEMORANDUM, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH INFORMATION MEMORANDUM IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT AND THE ATTACHED INFORMATION MEMORANDUM 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.

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ARA Asset Management Limited

(Incorporated in Bermuda on 1 July 2002)
(Registration No. 32276)

S\$1,500,000,000 Multicurrency Debt Issuance Programme (the “Programme”)

This Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of notes (the “Notes”) and perpetual securities (the “Perpetual Securities”) and, together with the Notes, the “Securities”) to be issued from time to time by ARA Asset Management Limited (the “Issuer”) pursuant to the Programme may not be circulated or distributed, nor may the Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Securities pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or (in the case of such corporation) where the transfer arises from an offer referred to in Section 276(3)(i)(B) of the SFA or (in the case of such trust) where the transfer arises from an offer referred to in Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Application has been made to the Singapore Exchange Securities Trading Limited (the “SGX-ST”) for permission to deal in and quotation for any Securities 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 Official List of the SGX-ST. Such permission will be granted when such Securities have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the Official List of the SGX-ST and quotation of any Securities on the SGX-ST is not to be taken as an indication of the merits of the Issuer, its subsidiaries, its associated companies (if any), its joint venture companies (if any), the Programme or such Securities. Unlisted Securities may also be issued under the Programme. The relevant Pricing Supplement (as defined herein) in respect of any Series (as defined herein) will specify whether or not such Securities will be listed, and if so, which exchange(s) the Securities are to be listed on.

The Securities have not been and will not be registered under the U.S. 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 the Securities may include Bearer Securities (as defined herein) that are subject to U.S. tax law requirements. Subject to certain exceptions, the Securities may not be offered, sold, or, in the case of Bearer Securities, delivered within the United States.

An investment in Securities issued under the Programme involves certain risks. For a discussion of some of these risks see the section “Risk Factors”.

Arrangers



TABLE OF CONTENTS

	PAGE
NOTICE	3
FORWARD-LOOKING STATEMENTS	8
DEFINITIONS	9
CORPORATE INFORMATION	18
SUMMARY OF THE PROGRAMME	19
RISK FACTORS	39
TERMS AND CONDITIONS OF THE NOTES	67
TERMS AND CONDITIONS OF THE PERPETUAL SECURITIES	103
THE ISSUER	139
SELECTED CONSOLIDATED FINANCIAL INFORMATION	186
PURPOSE OF THE PROGRAMME AND USE OF PROCEEDS	189
CLEARING AND SETTLEMENT	190
TAXATION	192
SUBSCRIPTION AND SALE	198
APPENDICES	
I: GENERAL AND OTHER INFORMATION	AI-1
II: UNAUDITED FINANCIAL STATEMENTS OF THE ISSUER AND ITS SUBSIDIARIES FOR THE SIX MONTHS ENDED 30 JUNE 2017	AII-1
III: AUDITED FINANCIAL STATEMENTS OF THE ISSUER AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016	AIII-1

NOTICE

DBS Bank Ltd. and Oversea-Chinese Banking Corporation Limited (the “**Arrangers**”) have been appointed by the Issuer to arrange the Programme described herein. Under the Programme, the Issuer may, subject to compliance with all relevant laws, regulations and directives, from time to time issue the Securities denominated in Singapore dollars and/or any other currencies.

This Information Memorandum contains information with regard to the Issuer, its subsidiaries, its associated companies (if any), its joint venture companies (if any), the Programme and the Securities. The Issuer confirms that this Information Memorandum contains all information which is material in the context of the Programme or the issue and offering of the Securities, that the information contained in this Information Memorandum is true and accurate in all material respects, that the opinions, expectations and intentions expressed in this Information Memorandum have been carefully considered, are based on all relevant considerations and facts existing at the date of this Information Memorandum and are fairly, reasonably and honestly held by the Issuer, and that there are no other facts the omission of which in the context of the Programme or the issue and offering of the Securities would make any such information or expressions of opinion, expectation or intention misleading in any material respect.

Notes may be issued in Series having one or more issue dates and the same maturity date, and on identical terms (including as to listing) except (in the case of Notes other than variable rate notes (as described under the section “Summary of the Programme”)) for the issue dates, issue prices and/or the dates of the first payment of interest, or (in the case of variable rate notes) for the issue prices and rates of interest. Each Series may be issued in one or more Tranches (as defined herein) on the same or different issue dates. The Notes will be issued in bearer or registered form and may be listed on a stock exchange. The Notes will initially be represented by either a Temporary Global Security (as defined herein) in bearer form or a Permanent Global Security (as defined herein) in bearer form or a registered Global Certificate (as defined herein) which will be deposited on the issue date with or registered in the name of, or in the name of a nominee of either The Central Depository (Pte) Limited (“**CDP**”) or a common depository (the “**Common Depository**”) for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking, S.A. (“**Clearstream, Luxembourg**”) or otherwise delivered as agreed between the Issuer and the relevant Dealer(s) (as defined herein). Subject to compliance with all relevant laws, regulations and directives, the Notes may have maturities of such tenor as may be agreed between the Issuer and the relevant Dealer(s) and may be subject to redemption or purchase in whole or in part. The Notes may bear interest at a fixed, floating, variable or hybrid rate or may not bear interest or may be such other notes as may be agreed between the Issuer and the relevant Dealer(s). The Notes will be repayable at par, at a specified amount above or below par or at an amount determined by reference to a formula, in each case with terms as specified in the Pricing Supplement (as defined herein) issued in relation to the applicable series or tranche of Notes. Details applicable to each Series or Tranche of Notes will be specified in the applicable Pricing Supplement which is to be read in conjunction with this Information Memorandum.

Perpetual Securities may be issued in Series having one or more issue dates, and on identical terms (including as to listing) except for the issue dates, issue prices and/or the dates of the first payment of distribution. Each Series may be issued in one or more Tranches on the same or different issue dates. The Perpetual Securities will be issued in bearer form or registered form and may be listed on a stock exchange. The Perpetual Securities will initially be represented by either a Temporary Global Security in bearer form or a Permanent Global Security in bearer form or a registered Global Certificate which will be deposited on the issue date with or registered in the name of, or in the name of a nominee of, either CDP or the Common Depository or otherwise delivered as agreed between the Issuer and the relevant Dealer(s). Subject to compliance with all relevant laws, regulations and directives, the

Perpetual Securities may be subject to redemption or purchase in whole or in part. The Perpetual Securities may confer a right to receive distributions at a fixed or floating rate. Details applicable to each Series or Tranche of Perpetual Securities will be specified in the applicable Pricing Supplement which is to be read in conjunction with this Information Memorandum.

The maximum aggregate principal amount of the Securities to be issued, when added to the aggregate principal amount of all Securities outstanding (as defined in the Trust Deed referred to below) shall be S\$1,500,000,000 (or its equivalent in any other currencies) or such higher amount as may be increased pursuant to the terms of the Programme Agreement (as defined herein). On 12 February 2018, the maximum aggregate principal amount of Securities which may be issued from time to time pursuant to the Programme and which remain outstanding has been increased from S\$1,000,000,000 to S\$1,500,000,000.

No person has been authorised to give any information or to make any representation other than those contained in this Information Memorandum and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, either of the Arrangers, any of the Dealers or the Trustee. Save as expressly stated in this Information Memorandum, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Issuer or its subsidiaries or its associated companies (if any) or its joint venture companies (if any). The delivery of this Information Memorandum at any time does not imply that the information contained in it is correct at any time subsequent to this date. Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme may be used for the purpose of, or constitutes an offer of, or solicitation or invitation by or on behalf of the Issuer, either of the Arrangers, any of the Dealers or the Trustee to subscribe for or purchase, the Securities in any jurisdiction or under any circumstances in which such offer, solicitation or invitation is unlawful, or not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. The distribution and publication of this Information Memorandum or any such other document or information and the offer of the Securities in certain jurisdictions may be restricted by law. Persons who distribute or publish this Information Memorandum or any such other document or information or into whose possession this Information Memorandum or any such other document or information comes are required to inform themselves about and to observe any such restrictions and all applicable laws, orders, rules and regulations.

The Securities have not been, and will not be, registered under the Securities Act and include Securities in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, the Securities may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder).

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme shall be deemed to constitute an offer of, or an invitation by or on behalf of the Issuer, either of the Arrangers, any of the Dealers or the Trustee to subscribe for or purchase any of the Securities.

This Information Memorandum and any other documents or materials in relation to the issue, offering or sale of the Securities have been prepared solely for the purpose of the initial sale by the relevant Dealers of the Securities from time to time to be issued pursuant to the Programme. This Information Memorandum and such other documents or materials are made available to the recipients thereof solely on the basis that they are persons falling within the ambit of Section 274 and/or Section 275 of the SFA and may not be relied upon by any person

other than persons to whom the Securities are sold or with whom they are placed by the relevant Dealers as aforesaid or for any other purpose. Recipients of this Information Memorandum shall not reissue, circulate or distribute this Information Memorandum or any part thereof in any manner whatsoever.

Neither the delivery of this Information Memorandum (or any part thereof) nor the issue, offering, purchase or sale of the Securities shall, under any circumstances, constitute a representation, or give rise to any implication, that there has been no change in the prospects, results of operations or general affairs of the Issuer or its subsidiaries or its associated companies (if any) or its joint venture companies (if any) or in the information or any statement of fact herein since the date hereof or the date on which this Information Memorandum has been most recently amended or supplemented.

The Arrangers, the Dealers and the Trustee have not independently verified the information contained in this Information Memorandum. None of the Arrangers, any of the Dealers, the Trustee or any of their respective officers or employees is making any representation or warranty expressed or implied as to the merits of the Securities or the subscription for, purchase or acquisition thereof, the creditworthiness or financial condition or otherwise of the Issuer or its subsidiaries or its associated companies (if any) or its joint venture companies (if any). Further, none of the Arrangers, any of the Dealers or the Trustee makes any representation or warranty as to the Issuer or its subsidiaries or its associated companies (if any) or its joint venture companies (if any) as to the accuracy, reliability or completeness of the information set out herein (including the legal and regulatory requirements pertaining to Sections 274, 275 and 276 or any other provisions of the SFA) and the documents which are incorporated by reference in, and form part of, this Information Memorandum.

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the issue of the Securities is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, either of the Arrangers, any of the Dealers or the Trustee that any recipient of this Information Memorandum or such other document or information (or such part thereof) should subscribe for or purchase any of the Securities or as to the merits of the Securities or the subscription for, purchase or acquisition thereof. A prospective purchaser shall make its own assessment of the foregoing and other relevant matters including the financial condition and affairs and the creditworthiness of the Issuer and its subsidiaries and its associated companies (if any) and its joint venture companies (if any), and obtain its own independent legal or other advice thereon, and its investment shall be deemed to be based on its own independent investigation of the financial condition and affairs and its appraisal of the creditworthiness of the Issuer and its subsidiaries and its associated companies (if any) and its joint venture companies (if any). Accordingly, notwithstanding anything herein, none of the Issuer, either of the Arrangers, any of the Dealers, the Trustee or any of their respective officers, employees or agents shall be held responsible for any loss or damage suffered or incurred by the recipients of this Information Memorandum or such other document or information (or such part thereof) as a result of or arising from anything expressly or implicitly contained in or referred to in this Information Memorandum or such other document or information (or such part thereof) and the same shall not constitute a ground for rescission of any purchase or acquisition of any of the Securities by a recipient of this Information Memorandum or such other document or information (or such part thereof).

To the fullest extent permitted by law, none of the Arrangers, any of the Dealers or the Trustee accept any responsibility for the contents of this Information Memorandum or for any other statement, made or purported to be made by either of the Arrangers, any of the Dealers or the Trustee or on its behalf in connection with the Issuer and its subsidiaries (the “**Group**”) or the

issue and offering of the Securities. Each Arranger, each Dealer and the Trustee accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which they might otherwise have in respect of this Information Memorandum or any such statement.

In connection with the issue of any Series of Securities, one or more Dealers named as stabilising manager(s) (the “**Stabilising Manager(s)**”) (or persons acting on behalf of any Stabilising Manager) in the relevant Pricing Supplement may over-allot Securities or effect transactions with a view to supporting the market price of the Securities at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin at any time, on or after the date on which adequate public disclosure of the terms of the offer of the relevant Series of Securities is made and, if begun, may be ended or discontinued at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant series of Securities and 60 days after the date of the allotment of the relevant Series of Securities. Any stabilisation action will be in accordance with the law.

The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated by reference in, and to form part of, this Information Memorandum: (1) any annual reports, audited consolidated accounts and/or unaudited financial statements of the Issuer, its subsidiaries, its associated companies (if any) and its joint venture companies (if any), and (2) any supplement or amendment to this Information Memorandum issued by the Issuer. This Information Memorandum is to be read in conjunction with all such documents which are incorporated by reference herein and, with respect to any Series or Tranche of Securities, any Pricing Supplement in respect of such Series or Tranche. Any statement contained in this Information Memorandum or in a document deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in this Information Memorandum or in such subsequent document that is also 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 Information Memorandum. Copies of all documents deemed incorporated by reference herein are available for inspection at the specified office of the Issuing and Paying Agent (as defined herein) during normal business hours.

Any purchase or acquisition of the Securities is in all respects conditional on the satisfaction of certain conditions set out in the Programme Agreement and the issue of the Securities by the Issuer pursuant to the Programme Agreement. Any offer, invitation to offer or agreement made in connection with the purchase or acquisition of the Securities or pursuant to this Information Memorandum shall (without any liability or responsibility on the part of the Issuer, either of the Arrangers, any of the Dealers or the Trustee) lapse and cease to have any effect if (for any other reason whatsoever) the Securities are not issued by the Issuer pursuant to the Programme Agreement.

The attention of recipients of this Information Memorandum is drawn to the restrictions on resale of the Securities set out under the section “Subscription and Sale” on pages 198 to 201 of this Information Memorandum.

Any person(s) who is/are invited to purchase or subscribe for the Securities or to whom this Information Memorandum is sent shall not make any offer or sale, directly or

indirectly, of any Securities or distribute or cause to be distributed any document or other material in connection therewith in any country or jurisdiction except in such manner and in such circumstances as will result in compliance with any applicable laws and regulations.

It is recommended that persons proposing to subscribe for or purchase any of the Securities consult their own legal and other advisers before purchasing or acquiring the Securities. Such persons are also advised to consult their own tax advisers concerning the tax consequences of the acquisition, ownership or disposal of the Securities.

Markets in Financial Instruments Directive II

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Securities has led to the conclusion that: (i) the target market for the Securities is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MIFID II**"); and (ii) all channels for distribution of the Securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Securities (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Packaged Retail Investment and Insurance Products — Prohibition of Sales to Retail Investors

The Securities are not intended to be offered, sold or otherwise made available to and 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 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**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

FORWARD-LOOKING STATEMENTS

All statements contained in this Information Memorandum that are not statements of historical fact constitute “forward-looking statements”. Some of these statements can be identified by forward-looking terms such as “expect”, “believe”, “plan”, “intend”, “estimate”, “anticipate”, “project”, “aim”, “seek”, “may”, “will”, “would”, “should” and “could” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the expected financial position, business strategy, plans and prospects of the Issuer and/or the Group (including statements as to the Group’s revenue, profitability, prospects, future plans, future operations and performance and other matters discussed in this Information Memorandum regarding matters that are not historical facts and including the financial forecasts, profit projections, statements as to the expansion plans of the Group, expected growth in the Group and other related matters), if any, are forward-looking statements and accordingly, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors include, among others:

- changes in general political, social and economic conditions;
- changes in currency exchange and interest rates;
- demographic changes;
- changes in competitive conditions; and
- other factors beyond the control of the Group.

Some of these factors are discussed in greater detail in this Information Memorandum, in particular, but not limited to, discussion under the section “Risk Factors”.

Given the risks and uncertainties that may cause the actual future results, performance or achievements of the Group to be materially different from the results, performance or achievements expected, expressed or implied by the financial forecasts, profit projections and forward-looking statements in this Information Memorandum, undue reliance must not be placed on those forecasts, projections and other statements. The Issuer, the Arrangers, the Dealers and the Trustee do not represent or warrant that the actual future results, performance or achievements of the Group will be as discussed in those statements.

Neither the delivery of this Information Memorandum nor the issue of any Securities by the Issuer 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, its subsidiaries, its associated companies (if any), its joint venture companies (if any) or any statement of fact or information contained in this Information Memorandum since the date of this Information Memorandum or the date on which this Information Memorandum has been most recently amended or supplemented.

Further, the Issuer, the Arrangers, the Dealers and the Trustee disclaim any responsibility, and undertake no obligation, to update or revise any forward-looking statements contained herein to reflect any changes in the expectations with respect thereto after the date of this Information Memorandum or to reflect any change in events, conditions or circumstances on which any such statements are based.

DEFINITIONS

The following definitions have, where appropriate, been used in this Information Memorandum:

“ADF I”	:	ARA Asia Dragon Fund
“ADF II”	:	ARA Asia Dragon Fund II
“Agency Agreement”	:	The Agency Agreement dated 29 June 2017 between (1) the Issuer, as issuer, (2) DBS Bank Ltd., as issuing and paying agent, transfer agent, registrar and agent bank, and (3) the Trustee, as trustee, as amended, restated and supplemented from time to time
“Agent Bank”	:	DBS Bank Ltd. or such other or further institutions that may be appointed as agent bank in relation to a Series of Securities and specified as agent bank in the applicable Pricing Supplement (or such other agent bank as may be appointed from time to time pursuant to the Agency Agreement)
“Agents”	:	The Issuing and Paying Agent, the other Paying Agents, the Agent Bank, the Registrar, the Transfer Agent or any of them and shall include such other Agent or Agents as may be appointed from time to time under the Agency Agreement
“AIFEREF”	:	AI Islamic Far Eastern Real Estate Fund
“AmFIRST REIT”	:	AmFIRST Real Estate Investment Trust
“APM”	:	APM Property Management
“APM Group”	:	APM Holdings Pte. Ltd. and its subsidiaries
“ARAC”	:	ARA Investment (Cayman) Limited
“ARAH”	:	ARA Asset Management Holdings Pte. Ltd.
“ARA-Alpharium REIT”	:	ARA-Alpharium Real Estate Investment Trust
”ARA Korea”	:	ARA Korea Limited, a subsidiary of the Issuer incorporated in South Korea
”ARA-NPS REITs”	:	ARA-NPS Real Estate Investment Company and ARA-NPS REIT No. 2
“ARA-ShinYoung REIT”	:	ARA-ShinYoung Residential Development Real Estate Investment Company
“ARA-ShinYoung REIT No. 2”	:	ARA-ShinYoung Residential Development Real Estate Investment Company No. 2
“ARA-ShinYoung Residential REITs”	:	ARA-ShinYoung REIT and ARA-ShinYoung REIT No. 2
“ARA Private Funds”	:	The private real estate funds division of the Issuer

“Arrangers”	:	DBS Bank Ltd. and Oversea-Chinese Banking Corporation Limited
“AUM”	:	Assets under management
“AVIC Trust”	:	AVIC Trust Co., Ltd.
“BCP”	:	Business Continuity Plan
“Bearer Securities”	:	Securities in bearer form
“Bermuda Companies Act”	:	The Companies Act, 1981 of Bermuda, as amended, re-enacted or modified from time to time
“Bursa Malaysia”	:	Bursa Malaysia Berhad
“Business Day”	:	In respect of each Security, (i) a day (other than a Saturday, Sunday or gazetted public holiday) on which Euroclear, Clearstream, Luxembourg and CDP, as applicable, are operating, (ii) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in the country of the relevant Paying Agent’s specified office and (iii) (if a payment is to be made on that day) (1) (in the case of Securities denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore, (2) (in the case of Securities denominated in Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which the TARGET System is open for settlement in Euros, (3) (in the case of Securities denominated in Renminbi) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets settle payments in Renminbi and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the Offshore Renminbi Centre and (4) (in the case of Securities denominated in a currency other than Singapore dollars, Euros and Renminbi) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore and the principal financial centre for that currency
“Cache”	:	Cache Logistics Trust
“CDP” or “Depository”	:	The Central Depository (Pte) Limited
“CEO”	:	Chief Executive Officer
“Certificate”	:	A registered certificate representing one or more Registered Securities of the same Series and, save as provided in the terms and conditions of the Notes or the terms and conditions of the Perpetual Securities, comprising the entire holding by a holder of Registered Securities of that Series
“CFO”	:	Chief Financial Officer
“Cheung Kong”	:	CK Asset Holdings Limited
“Cheung Kong Group”	:	CK Asset Holdings Limited and its subsidiaries and affiliates

“CIP”	:	ARA China Investment Partners, LLC
“Common Depositary”	:	In relation to a Series of the Securities, a depositary common to Euroclear and Clearstream, Luxembourg
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as amended, re-enacted or modified from time to time
“Conditions”	:	In relation to the Notes of any Series, the terms and conditions applicable thereto, which shall be substantially in the form set out in Part III of Schedule 1 to the Trust Deed, as modified, with respect to any Notes represented by a Global Security or a Global Certificate, by the provisions of such Global Security or, as the case may be, Global Certificate, shall incorporate any additional provisions forming part of such terms and conditions set out in the Pricing Supplement(s) relating to the Notes of such Series and shall be endorsed on the Definitive Securities or, as the case may be, Certificates subject to amendment and completion as referred to in the first paragraph appearing after the heading “Terms and Conditions of the Notes” as set out in Part III of Schedule 1 to the Trust Deed, and any reference to a particular numbered Condition shall be construed accordingly In relation to the Perpetual Securities of any Series, the terms and conditions applicable thereto, which shall be substantially in the form set out in Part III of Schedule 5 to the Trust Deed, as modified, with respect to any Perpetual Securities represented by a Global Security or a Global Certificate, by the provisions of such Global Security or, as the case may be, Global Certificate, shall incorporate any additional provisions forming part of such terms and conditions set out in the Pricing Supplement(s) relating to the Perpetual Securities of such Series and shall be endorsed on the Definitive Securities or, as the case may be, Certificates, subject to amendment and completion as referred to in the first paragraph appearing after the heading “Terms and Conditions of the Perpetual Securities” as set out in Part III of Schedule 5 to the Trust Deed, and any reference to a particularly numbered Condition shall be construed accordingly
“Couponholders”	:	The holders of the Coupons
“Coupons”	:	The bearer coupons appertaining to an interest or distribution bearing Bearer Security
“Dealers”	:	Persons appointed as dealers under the Programme
“Definitive Security”	:	A definitive Bearer Security having, where appropriate, Coupons and/or a Talon attached on issue
“Directors”	:	The directors (including alternate directors, if any) of the Issuer as at the date of this Information Memorandum

“EDINET”	:	Electronic Disclosure for Investors’ NETwork, an announcement platform for investors investing in listed companies on the Tokyo Stock Exchange
“ERM”	:	Enterprise Risk Management
“Euro”	:	The lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time
“Fortune REIT”	:	Fortune Real Estate Investment Trust
“FY”	:	Financial year ended 31 December
“GFA”	:	Gross floor area
“Global Certificate”	:	A Certificate representing Registered Securities of one or more Tranches of the same Series that are registered in the name of, or in the name of a nominee of, (i) CDP, (ii) Common Depository and/or (iii) any other clearing system
“Global Security”	:	A global Security representing Bearer Securities of one or more Tranches of the same Series, being a Temporary Global Security and/or, as the context may require, a Permanent Global Security, in each case without Coupons or a Talon
“Group”	:	The Issuer and its subsidiaries
“GRPs”	:	Group’s Risk Profile
“GTI”	:	Governance & Transparency Index
“Harmony I”	:	ARA Harmony I
“Harmony II”	:	ARA Harmony II (SSCEC)
“Harmony III”	:	ARA Harmony III (Malaysian Malls)
“Harmony V”	:	ARA Harmony V (9 Penang Road)
”Harmony VI”	:	ARA Harmony VI (Century Link)
“HKEx”	:	The Stock Exchange of Hong Kong Limited
“Hui Xian REIT”	:	Hui Xian Real Estate Investment Trust
“Internal Auditors”	:	Ernst & Young Advisory Pte Ltd, together with the Group Risk Management & Internal Audit Division of the Issuer
“IRAS”	:	Inland Revenue Authority of Singapore
“IRR”	:	Internal rate of return
“Issuer” or “ARA” or the “Company”	:	ARA Asset Management Limited

“Issuing and Paying Agent”	:	DBS Bank Ltd., or its successors in that capacity
“ITA”	:	Income Tax Act, Chapter 134 of Singapore, as amended or modified from time to time
“IT DRP”	:	Information Technology Disaster Recovery Plan
“K-REIT”	:	South Korean Real Estate Investment Trust
“KRW”	:	South Korean won
“Latest Practicable Date”	:	1 February 2018
“MAS”	:	The Monetary Authority of Singapore
“MICE”	:	Meetings, incentives, conferences, and events
“MIP”	:	Morningside Investment Partners, LLC
“Noteholders”	:	The holders of the Notes
“Notes”	:	The multicurrency medium term notes of the Issuer to be issued by the Issuer under the Programme pursuant to the Programme Agreement and constituted by the Trust Deed (and shall, where the context so admits, include the Global Securities, Global Certificates, Definitive Securities and Certificates)
“Offshore Renminbi Centre”	:	The offshore Renminbi centre(s) specified as such in the applicable Pricing Supplement
“Paying Agents”	:	The Issuing and Paying Agent, and such other or further institutions as may from time to time be appointed by the Issuer as paying agent for the Securities and Coupons
“Permanent Global Security”	:	A Global Security representing Bearer Securities of one or more Tranches of the same Series, either on issue or upon exchange of interests in a Temporary Global Security
“Perpetual Securities”	:	The perpetual securities to be issued by the Issuer under the Programme (and shall, where the context so admits, include the Global Securities, the Definitive Securities and any related Coupons and Talons, the Global Certificates and the Certificates)
“Perpetual Securityholders”	:	The holders of the Perpetual Securities
“PIP”	:	Peninsula Investment Partners, L.P.
“Pricing Supplement”	:	In relation to a Tranche or Series of Securities, a pricing supplement, to be read in conjunction with this Information Memorandum, specifying the relevant issue details in relation to such Tranche or Series of Securities, as the case may be

“Principal Subsidiary” : Any subsidiary of the Issuer (other than ARA Property Management Pte. Ltd. and any subsidiaries of ARA Property Management Pte. Ltd.) whose profit after tax, as shown by the accounts of such subsidiary (consolidated in the case of a subsidiary which itself has subsidiaries in accordance with the applicable accounting standards), based upon which the latest audited consolidated accounts of the Group have been prepared, are at least 13 per cent. of the profit after tax of the Group as shown by such audited consolidated accounts, provided that if any such subsidiary (the **“transferor”**) shall at any time transfer the whole or a substantial part of its business, undertaking or assets to another subsidiary or the Issuer (the **“transferee”**) then:

- (1) if the whole of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall thereupon cease to be a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary; and
- (2) if a substantial part only of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary

Any subsidiary which becomes a Principal Subsidiary by virtue of (1) above or which remains or becomes a Principal Subsidiary by virtue of (2) above shall continue to be a Principal Subsidiary until the earlier of (aa) the date of issue of the first audited consolidated accounts of the Group prepared as at a date later than the date of the relevant transfer which show the profit after tax as shown by the accounts of such subsidiary (consolidated in the case of a subsidiary which itself has subsidiaries in accordance with the applicable accounting standards), based upon which such audited consolidated accounts have been prepared, to be less than 13 per cent. of the profit after tax of the Group, as shown by such audited consolidated accounts or (bb) a report by the Auditors (as defined in the Trust Deed) which shows profit after tax of such subsidiary to be less than 13 per cent. of the profit after tax of the Group, as shown by such report of the Auditors. A report by the Auditors, who shall also be responsible for producing any pro-forma accounts required for the above purposes, that in their opinion a subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive

“Programme” : The S\$1,500,000,000 Multicurrency Debt Issuance Programme of the Issuer established by the Issuer pursuant to the Programme Agreement

“Programme Agreement”	:	The Programme Agreement dated 29 June 2017 made between (1) the Issuer, as issuer, (2) DBS Bank Ltd. and Oversea-Chinese Banking Corporation Limited, as arrangers, and (3) DBS Bank Ltd. and Oversea-Chinese Banking Corporation Limited, as dealers, as amended, varied or supplemented from time to time
“Prosperity REIT”	:	Prosperity Real Estate Investment Trust
“Registered Securities”	:	Securities in registered form
“Registrar”	:	DBS Bank Ltd., or its successors in that capacity
“REIT”	:	Real estate investment trust
“RMB”	:	Renminbi
“RMC”	:	Risk Management Committee
“SDF I”	:	ARA Summit Development Fund I, L.P.
“Securities”	:	The Notes and the Perpetual Securities
“Securities Act”	:	Securities Act of 1933 of the United States, as amended
“Securityholders”	:	The Noteholders and the Perpetual Securityholders
“Senior Perpetual Securities”	:	Perpetual Securities which are specified to rank as senior obligations of the Issuer pursuant to Condition 3(a) of the Perpetual Securities
“Series”	:	(1) (in relation to Securities other than variable rate notes) a Tranche, together with any further Tranche or Tranches, which are (a) expressed to be consolidated and forming a single series and (b) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest or distribution and (2) (in relation to variable rate notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest
“SFA”	:	Securities and Futures Act, Chapter 289 of Singapore, as amended, re-enacted or modified from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“SingHaiyi Group”	:	SingHaiyi Group Ltd. and its subsidiaries
“SIP”	:	Straits Investment Partners, L.P.
“Sqft”	:	Square feet
“Sqm”	:	Square metre
“SSCEC”	:	Suntec Singapore Convention and Exhibition Centre
“STC”	:	The Straits Trading Company Limited

“Straits Real Estate”	:	SRE Venture 5 Pte. Ltd.
“Subordinated Perpetual Securities”	:	Perpetual Securities which are expressed in the applicable Pricing Supplement to rank as subordinated obligations of the Issuer
“subsidiary”	:	Any company which is for the time being a subsidiary (within the meaning of Section 5 of the Companies Act)
“Suntec International”	:	Suntec International Convention and Exhibition Services Pte. Ltd.
“Suntec REIT”	:	Suntec Real Estate Investment Trust
“Suntec Singapore”	:	Suntec Singapore International Convention & Exhibition Services Pte. Ltd
“Talons”	:	Talons for further Coupons
“TARGET System”	:	The Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto
“Temporary Global Security”	:	A Global Security representing Bearer Securities of one or more Tranches of the same Series on issue
“Tranche”	:	Securities which are identical in all respects (including as to listing)
“Transfer Agent”	:	DBS Bank Ltd., or its successors in that capacity
“Trust Deed”	:	The Trust Deed dated 29 June 2017 made between (1) the Issuer, as issuer, and (2) the Trustee, as trustee, as amended, varied or supplemented from time to time
“Trustee”	:	DBS Trustee Limited, or its successors in that capacity
“TSE”	:	Tokyo Stock Exchange
“United States”, “U.S.” or “USA”	:	United States of America
“US\$”	:	United States dollars
“S\$” and “cents”	:	Singapore dollars and cents respectively
“Warburg Pincus”	:	Warburg Pincus, LLC
“%”	:	Per cent

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations. Any reference to a time of day in this Information Memorandum shall be a reference to Singapore time unless otherwise stated. Any reference in this Information Memorandum to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined

under the Bermuda Companies Act, the Companies Act or the SFA or any statutory modification thereof and used in this Information Memorandum shall, where applicable, have the meaning ascribed to it under the Bermuda Companies Act, the Companies Act or, as the case may be, the SFA.

CORPORATE INFORMATION

Issuer	:	ARA Asset Management Limited
Board of Directors	:	Chiu Kwok Hung Justin Lim Hwee Chiang John Ellen Ng Hoi Ying
Company Secretary	:	Conyers Corporate Services (Bermuda) Limited
Registered Office	:	Clarendon House 2 Church Street Hamilton HM 11 Bermuda
Principal Place of Business	:	6 Temasek Boulevard #16-02 Suntec Tower Four Singapore 038986
Auditors to the Issuer	:	KPMG LLP 16 Raffles Quay #22-00 Hong Leong Building Singapore 048581
Arrangers and Dealers of the Programme	:	DBS Bank Ltd. 12 Marina Boulevard, Level 42 Marina Bay Financial Centre Tower 3 Singapore 018982 Oversea-Chinese Banking Corporation Limited 63 Chulia Street #03-05 OCBC Centre East Singapore 049514
Legal Advisers to the Arrangers	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Advisers to the Issuer	:	WongPartnership LLP 12 Marina Boulevard, Level 28 Marina Bay Financial Centre Tower 3 Singapore 018982
Legal Advisers to the Trustee, the Issuing and Paying Agent, the Transfer Agent, the Registrar and the Agent Bank	:	Shook Lin & Bok LLP 1 Robinson Road #18-00 AIA Tower Singapore 048542
Issuing and Paying Agent, Transfer Agent, Registrar and Agent Bank	:	DBS Bank Ltd. 10 Toh Guan Road #04-11 (Level 4B) DBS Asia Gateway Singapore 608838
Trustee for the Securityholders	:	DBS Trustee Limited 12 Marina Boulevard, Level 44 Marina Bay Financial Centre Tower 3 Singapore 018982

SUMMARY OF THE PROGRAMME

The following summary is derived from, and should be read in conjunction with, the full text of this Information Memorandum (and any relevant supplement to this Information Memorandum), the Trust Deed, the Agency Agreement and the relevant Pricing Supplement.

Issuer	:	ARA Asset Management Limited.
Arrangers	:	DBS Bank Ltd. and Oversea-Chinese Banking Corporation Limited.
Dealers	:	DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited and/or such other Dealers as may be appointed by the Issuer in accordance with the Programme Agreement.
Trustee	:	DBS Trustee Limited.
Issuing and Paying Agent, Transfer Agent, Registrar, and Agent Bank	:	DBS Bank Ltd.
Description	:	Multicurrency Debt Issuance Programme.
Programme Size	:	The maximum aggregate principal amount of the Securities to be issued, when added to the aggregate principal amount of all Securities outstanding at any time shall be S\$1,500,000,000 (or its equivalent in other currencies) or such higher amount as may be increased pursuant to the terms of the Programme Agreement.

NOTES

Currency	:	Subject to compliance with all relevant laws, regulations and directives, the Notes may be issued in Singapore dollars or any other currency agreed between the Issuer and the relevant Dealer(s).
Method of Issue	:	The Notes may be issued from time to time under the Programme on a syndicated or non-syndicated basis. Each Series may be issued in one or more Tranches, on the same or different issue dates. The specific terms of each Series or Tranche will be specified in the relevant Pricing Supplement.
Issue Price	:	The Notes may be issued at par or at a discount, or premium, to par.
Maturities	:	Subject to compliance with all relevant laws, regulations and directives, the Notes may have maturities of such tenor as may be agreed between the Issuer and the relevant Dealer(s).
Mandatory Redemption	:	Unless previously redeemed or purchased and cancelled, each Note will be redeemed at its redemption amount on the maturity date shown on its face.

- Interest Basis : The Notes may bear interest at fixed, floating, variable or hybrid rates or such other rates as may be agreed between the Issuer and the relevant Dealer(s) or may not bear interest.
- Fixed Rate Notes : Fixed Rate Notes will bear a fixed rate of interest which will be payable in arrear on specified dates and at maturity.
- Floating Rate Notes : Floating Rate Notes which are denominated in Singapore dollars will bear interest to be determined separately for each Series (in the case of Notes which are denominated in Singapore dollars) by reference to S\$ SIBOR or S\$ SWAP RATE (in the case of Notes which are denominated in US dollars) by reference to LIBOR (or in any other case) such other benchmark as may be agreed between the Issuer and the relevant Dealer(s), as adjusted for any applicable margin. Interest periods in relation to the Floating Rate Notes will be agreed between the Issuer and the relevant Dealer(s) prior to their issue.
- Floating Rate Notes which are denominated in other currencies will bear interest to be determined separately for each Series by reference to such other benchmark as may be agreed between the Issuer and the relevant Dealer(s).
- Variable Rate Notes : Variable Rate Notes will bear interest at a variable rate determined in accordance with the terms and conditions of the Notes. Interest periods in relation to the Variable Rate Notes will be agreed between the Issuer and the relevant Dealer(s) prior to their issue.
- Hybrid Notes : Hybrid Notes will bear interest, during the fixed rate period to be agreed between the Issuer and the relevant Dealer(s), at a fixed rate of interest which will be payable in arrear on specified dates and, during the floating rate period to be agreed between the Issuer and the relevant Dealer(s), at the rate of interest to be determined by reference to (in the case of Notes which are denominated in Singapore dollars) S\$ SIBOR or S\$ SWAP RATE (in the case of Notes which are denominated in US dollars) LIBOR (or in any other case) such other benchmark as may be agreed between the Issuer and the relevant Dealer(s), as adjusted for any applicable margin (provided that if the Hybrid Notes are denominated in a currency other than Singapore dollars or US dollars, such Hybrid Notes will bear interest to be determined separately by reference to such benchmark as may be agreed between the Issuer and the relevant Dealer(s)), in each case payable at the end of each interest period to be agreed between the Issuer and the relevant Dealer(s).
- Zero Coupon Notes : Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest other than in the case of late payment.

Form and Denomination of Notes : The Notes will be issued in bearer form or registered form and in such denominations as may be agreed between the Issuer and the relevant Dealer(s). Each Tranche or Series of bearer Notes may initially be represented by a Temporary Global Security or a Permanent Global Security. Each Temporary Global Security may be deposited on the relevant issue date with CDP, the Common Depository and/or any other agreed clearing system and will be exchangeable, upon request as described therein, either for a Permanent Global Security or definitive Notes (as indicated in the applicable Pricing Supplement). Each Permanent Global Security may be exchanged, unless otherwise specified in the applicable Pricing Supplement, upon request as described therein, in whole (but not in part) for definitive Notes upon the terms therein. Each Tranche or Series of registered Notes will initially be represented by a Global Certificate. Each Global Certificate may be registered in the name of, or in the name of a nominee of CDP, a Common Depository and/or any other agreed clearing system. Each Global Certificate may be exchanged, upon request as described therein, in whole (but not in part) for Certificates upon the terms therein. Save as provided in the terms and conditions of the Notes, a Certificate shall be issued in respect of each Noteholder's entire holding of registered Notes of one Series.

For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, in the event that the Global Security is exchanged for definitive Notes or, as the case may be, the Global Certificate is exchanged for definitive Certificates, the Issuer will appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption. In addition, for so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, in the event that the Global Security is exchanged for definitive Notes or, as the case may be, the Global Certificate is exchanged for definitive Certificates, an announcement of such exchange shall be made by the Issuer through the SGX-ST and such announcement shall include all material information with respect to the delivery of the definitive Notes or, as the case may be, the definitive Certificates, including details of the paying agent in Singapore.

Custody of the Notes : Notes which are to be cleared through CDP are required to be kept with CDP as authorised depository. Notes which are cleared through Euroclear and/or Clearstream, Luxembourg are required to be kept with the Common Depository.

Status of the Notes : The Notes and Coupons of all Series will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and rank *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.

- Optional Redemption and Purchase : If so provided on the face of the Note and the relevant Pricing Supplement, the Notes may be redeemed (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders of the Notes. Further, if so provided on the face of the Note and the relevant Pricing Supplement, the Notes may be purchased by the Issuer (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders of the Notes.
- Redemption for Taxation Reasons : If so provided on the face of the Note and the relevant Pricing Supplement, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 of the Notes, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Bermuda, Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations 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.
- Redemption upon a Change of Control at the option of the Noteholders : If so provided on the face of the Note and the relevant Pricing Supplement, if for any reason, a Change of Control (as defined below) occurs, the Issuer shall, within seven days of such occurrence, give notice to the Noteholders of the occurrence of such event (the "**Change of Control Notice**") (provided that any failure by the Issuer to give such notice shall not prejudice any Noteholder of such option) and shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount (as specified in the relevant Pricing Supplement), together with interest accrued to the date fixed for redemption, on the date falling 45 days from the date of the Change of Control Notice (or if such date is not a business day, on the next day which is a business day).

- (i) **“Change of Control Event”** means:
- (1) Mr Lim Hwee Chiang John, The Straits Trading Company Limited, Cheung Kong Property Limited, Warburg Pincus LLP and/or AVIC Trust, cease to own (whether singly or otherwise) 30 per cent. in aggregate, direct or indirect shareholding interest in the Issuer;
 - (2) any Person or Persons (acting together with its related corporations) (provided that such Person or Persons (and their related corporations) do not include any of the Permitted Holders) acquires or acquire Control of the Issuer, if such Person or Persons does not or do not have, and would not be deemed to have Control over the Issuer on the Issue Date; or
 - (3) the Issuer consolidates with or merges into or sells or transfers all or substantially all of the Issuer’s assets to any other Person or Persons (acting together with its related corporations) (provided that such Person or Persons (and their related corporations) do not include any of the Permitted Holders), unless the consolidation, merger, sale or transfer will not result in such other Person or Persons acquiring Control over the Issuer or the successor entity;
- (ii) **“Control”** means:
- (1) the ownership or control of more than 50 per cent. of the voting rights of the issued share capital of the Issuer; or
 - (2) the right to appoint and/or remove all or the majority of the members of the Issuer’s board of directors, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise;
- (iii) **“Immediate Family”** means in relation to a Person, means the Person’s spouse or child, adopted child or step-child below the age of 21 years;
- (iv) **“Permitted Holders”** means any Person or group of Persons referred to in paragraph (i)(1) above and the Immediate Family of any such Person or group of Persons; and
- (v) **“Person”** means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality.

- Negative Pledge : The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, the Issuer will not, and will ensure that none of its subsidiaries will, create or permit to subsist, any mortgage, charge, lien, pledge or other form of encumbrance or security interest upon the whole or any part of its present or future undertakings, assets or revenues (including any uncalled capital) to secure any Capital Market Indebtedness, or to secure any guarantee or indemnity in respect of any Capital Market Indebtedness, without at the same time or prior thereto according to the Notes and the Coupons the same security as is created or subsisting to secure any such Capital Market Indebtedness, guarantee or indemnity or such other security as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.
- “Capital Market Indebtedness”** means any present or future indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other debt securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market.
- Financial Covenants : The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will ensure that:
- (i) the Adjusted Consolidated Total Equity (as defined in Condition 4 of the Notes) shall not at any time be less than S\$450,000,000; and
 - (ii) the ratio of Consolidated Net Debt (as defined in Condition 4 of the Notes) to Adjusted Consolidated Total Equity shall not at any time be more than 1.85:1.
- Non-Disposal Covenant : The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not, and will ensure that none of its Principal Subsidiaries will, (whether by a single transaction or a number of related or unrelated transactions and whether at one time or over a period of time) sell, transfer, lease out, lend or otherwise dispose of (whether outright, by a sale-and-repurchase or sale-and-leaseback arrangement, or otherwise) all or substantially all of its assets nor of any part of its assets which, either alone or when aggregated with all other disposals required to be taken into account under Clause 7.3 of the Trust Deed, is substantial in relation to the assets of the Group, taken as a whole or the disposal of which (either alone or when so aggregated) is likely to have a material adverse effect on the Issuer. The following disposals shall not be taken into account under Clause 7.3 of the Trust Deed:
- (i) disposals in the ordinary course of business on an arm’s length basis and on normal commercial terms;

- (ii) any disposal in connection with the transfer of any of the Group's assets to another member of the Group;
- (iii) any disposal in connection with the transfer of any of the Group's assets to a joint venture company on normal commercial terms and on arm's length basis;
- (iv) any disposal or sale of assets which are obsolete, excess or no longer required for the purposes of its business, in each case, on an arm's length basis and on normal commercial terms;
- (v) any payment of cash as consideration for the acquisition of any asset on an arm's length basis and on normal commercial terms;
- (vi) any exchange for other assets comparable or superior as to type and value;
- (vii) any disposals of financial assets as shown in the most recent audited or, as the case may be, unaudited consolidated financial statements of the Group on an arm's length basis and on normal commercial terms;
- (viii) any disposal of shares, units or other interests in connection with the listing of any real estate investment trust, business trust, property fund or any other entity provided that the Issuer will at all times following such disposal own (whether directly and/or indirectly) in aggregate at least 20 per cent. of the shares, units or, as the case may be, interest of such real estate investment trust, business trust, property fund or entity;
- (ix) any disposal of assets to any real estate investment trust, business trust, property fund or any other entity in connection with a listing of such real estate investment trust, business trust, property fund or entity provided that the Issuer will at all times following such disposal own (directly or indirectly) in aggregate at least 20 per cent. of the shares, units or, as the case may be, interests of such real estate investment trust, business trust, property fund or entity; and
- (x) any disposal approved by the Noteholders by way of an Extraordinary Resolution.

Events of Default : See Condition 10 of the Notes.

- Taxation : All payments in respect of the Notes and the Coupons by the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Bermuda, Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such 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, save for certain exceptions. For further details, please see the section on “Taxation” herein.
- Listing : Each Series of the Notes may, if so agreed between the Issuer and the relevant Dealer(s), be listed on the SGX-ST or any stock exchange(s) as may be agreed between the Issuer and the relevant Dealer(s), subject to all necessary approvals having been obtained.
- Board Lot Size : The Notes will be traded in a minimum board lot size of not less than S\$200,000 (or its equivalent in other currencies) for so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require.
- Selling Restrictions : For a description of certain restrictions on offers, sales and deliveries of Notes and the distribution of offering material relating to the Notes, please see the section on “Subscription and Sale” herein. Further restrictions may apply in connection with any particular Series or Tranche of Notes.
- Governing Law and Jurisdiction : The Programme and any Notes issued under the Programme will be governed by, and construed in accordance with, the laws of Singapore save that Clauses 8.3.1 to 8.3.3 of the Trust Deed are governed by, and shall be construed in accordance with, the laws of Bermuda.

The courts of Singapore are to have non-exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Coupons or Talons may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the non-exclusive jurisdiction of such courts.

PERPETUAL SECURITIES

- Currency : Subject to compliance with all relevant laws, regulations and directives, the Perpetual Securities may be issued in Singapore dollars or any other currency agreed between the Issuer and the relevant Dealer(s).
- Method of Issue : The Perpetual Securities may be issued from time to time under the Programme on a syndicated or non-syndicated basis. Each Series may be issued in one or more Tranches, on the same or different issue dates. The specific terms of each Series or Tranche will be specified in the relevant Pricing Supplement.
- Issue Price : The Perpetual Securities may be issued at par or at a discount, or premium, to par.
- No Fixed Maturity : The Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall only have the right (but not the obligation) to redeem or purchase them in accordance with the provisions of the terms and conditions of the Perpetual Securities.
- Distribution Basis : The Perpetual Securities may confer a right to receive distribution at fixed or floating rates.
- Fixed Rate Perpetual Securities : Fixed Rate Perpetual Securities will confer a right to receive distribution at a fixed rate which will be payable in arrear on specified dates. If so provided on the face of the Fixed Rate Perpetual Securities, the distribution rate may be reset on such dates and bases as may be set out in the applicable Pricing Supplement. If so provided on the face of the Fixed Rate Perpetual Securities and specified in the applicable Pricing Supplement, in the event that a Change of Control has occurred, so long as the Issuer has not already redeemed the Perpetual Securities in accordance with Condition 5(f) of the Perpetual Securities, the then prevailing Distribution Rate shall be increased by the Change of Control Margin with effect from (and including) the Distribution Payment Date immediately following the date on which the Change of Control occurred (or, if the Change of Control occurs on or after the date which is two business days prior to the immediately following Distribution Payment Date, the next following Distribution Payment Date).
- Floating Rate Perpetual Securities : Floating Rate Perpetual Securities (in the case of Perpetual Securities which are denominated in Singapore dollars) will confer a right to receive distribution at a rate to be determined separately for each Series by reference to S\$ SIBOR or S\$ SWAP RATE (in the case of Perpetual Securities which are denominated in US dollars) will confer a right to receive distribution at a rate to be determined separately for each Series by reference to LIBOR (or in any other case) such other benchmark as may be agreed between the Issuer and the relevant Dealer(s), as adjusted for any applicable margin.

Floating Rate Perpetual Securities which are denominated in other currencies will confer a right to receive distribution to be determined separately for each Series by reference to such other benchmark as may be agreed between the Issuer and the relevant Dealer(s).

Distribution periods in relation to the Floating Rate Perpetual Securities will be agreed between the Issuer and the relevant Dealer(s) prior to their issue.

Distribution Discretion : If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Issuer may, at its sole discretion, elect not to pay a distribution (or to pay only part of a distribution) which is scheduled to be paid on a Distribution Payment Date (as defined in the Conditions of the Perpetual Securities) by giving notice (an “**Optional Payment Notice**”) to the Trustee and the Issuing and Paying Agent and the Perpetual Securityholders (in accordance with Condition 14 of the Perpetual Securities) not more than 15 nor less than five business days (or such other notice period as may be specified on the face of the Perpetual Security and the relevant Pricing Supplement) prior to a scheduled Distribution Payment Date.

If a Dividend Pusher is set out thereon, the Issuer may not elect to defer any distribution if during the Reference Period (as specified in the applicable Pricing Supplement) ending on the day before that scheduled Distribution Payment Date, either or both of the following (each such event a “**Compulsory Distribution Payment Event**”) have occurred during the relevant Reference Period:

- (i) a dividend, distribution or other payment has been declared or paid on or in respect of the Issuer’s Junior Obligations (as defined in the terms and conditions of the Perpetual Securities) or (except on a *pro rata* basis) any of the Issuer’s Specified Parity Obligations; or
- (ii) any of the Issuer’s Junior Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration or (except on a *pro rata* basis) any of the Issuer’s Specified Parity Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the Group or (2) as a result of the exchange or conversion of Specified Parity Obligations of the Issuer for the Junior Obligations of the Issuer and/or as otherwise specified in the applicable Pricing Supplement.

For the purposes of this section, (i) “**Junior Obligation**” means, in relation to the Issuer, any of its ordinary shares and any class of its share capital and any other instruments or securities (including without limitation any preference shares, preferred units or subordinated perpetual securities) issued, entered into or guaranteed by the Issuer that ranks or is expressed to rank, whether by its terms or by operation of law, junior to the Perpetual Securities and (ii) “**Specified Parity Obligation**” means any instrument or security (other than shares, which includes but is not limited to redeemable preference shares, preference shares and ordinary shares) issued, entered into or guaranteed by the Issuer (1) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the Perpetual Securities and (2) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer and/or, in the case of an instrument or security guaranteed by the Issuer, the issuer thereof (which excludes, for the avoidance of doubt (A) any payment due to be made in respect of debt owing to any (aa) trade creditors and/or (bb) service providers and professionals, (B) any payment due to be made in respect of credit facilities granted by banks and other financial institutions, and (C) any prepayment or redemption prior to the due date of maturity of any senior instrument or security at the option of the Issuer or, as the case may be, the issuer thereof).

Non-Cumulative Deferral
and Cumulative Deferral :

If Non-Cumulative Deferral is so provided on the face of the Perpetual Security and the relevant Pricing Supplement, any distribution deferred pursuant to Condition 4(IV) of the Perpetual Securities is non-cumulative and will not accrue interest. The Issuer is not under any obligation to pay that or any other distributions that have not been paid in whole or in part. The Issuer may, at its sole discretion, and at any time, elect to pay an amount up to the amount of distribution which is unpaid (“**Optional Distribution**”) (in whole or in part) by complying with the notice requirements in Condition 4(IV)(e) of the Perpetual Securities. There is no limit on the number of times or the extent of the amount with respect to which the Issuer can elect not to pay distributions pursuant to Condition 4(IV) of the Perpetual Securities. Any partial payment of outstanding Optional Distribution by the Issuer shall be shared by the holders of all outstanding Perpetual Securities and the Coupons related to them on a *pro rata* basis.

If Cumulative Deferral is so provided on the face of the Perpetual Security and the relevant Pricing Supplement, any distribution deferred pursuant to Condition 4(IV) of the Perpetual Securities shall constitute “**Arrears of Distribution**”. The Issuer may, at its sole discretion, elect to (in the circumstances set out in Condition 4(IV)(a) of the Perpetual Securities) further defer any Arrears of Distribution by complying with the notice requirement applicable to any deferral of an accrued distribution. The Issuer is not subject to any limit as to the number of times distributions and Arrears of Distribution can or shall be deferred pursuant to Condition 4(IV) of the Perpetual Securities except that Condition 4(IV)(c) of the Perpetual Securities shall be complied with until all outstanding Arrears of Distribution have been paid in full.

If Additional Distribution is so provided on the face of the Perpetual Security and the relevant Pricing Supplement, each amount of Arrears of Distribution shall bear interest as if it constituted the principal of the Perpetual Securities at the Distribution Rate or Rate of Distribution (as the case may be) and the amount of such interest (the “**Additional Distribution Amount**”) with respect to Arrears of Distribution shall be due and payable pursuant to Condition 4 of the Perpetual Securities and shall be calculated by applying the applicable Distribution Rate or Rate of Distribution (as the case may be) to the amount of the Arrears of Distribution and otherwise *mutatis mutandis* as provided in the provisions of Condition 4 of the Perpetual Securities. The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added, for the purpose of calculating the Additional Distribution Amount accruing thereafter, to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

Restrictions in the case of Non-Payment :

If Dividend Stopper is so provided on the face of the Perpetual Security and the relevant Pricing Supplement and on any Distribution Payment Date, payments of all distribution scheduled to be made on such date are not made in full by reason of Condition 4(IV) of the Perpetual Securities, the Issuer shall not and shall procure that none of its subsidiaries shall:

- (i) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on, any of the Issuer’s Junior Obligations or (except on a *pro rata* basis) any of the Issuer’s Specified Parity Obligations; or

- (ii) redeem, reduce, cancel, buy-back or acquire for any consideration, and will procure that no redemption, reduction, cancellation, buy-back or acquisition for any consideration is made in respect of, any of the Issuer's Junior Obligations or (except on a *pro rata* basis) any of the Issuer's Specified Parity Obligations,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the Group or (2) as a result of the exchange or conversion of Specified Parity Obligations of the Issuer for the Junior Obligations of the Issuer, unless and until (A) (if Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) the Issuer has satisfied in full all outstanding Arrears of Distribution, (B) (if Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) a redemption of all the outstanding Perpetual Securities has occurred, the next scheduled distribution has been paid in full or an Optional Distribution equal to the amount of a distribution payable with respect to the most recent Distribution Payment Date that was unpaid in full or in part, has been paid in full or (C) the Issuer is permitted to do so by an Extraordinary Resolution of the Perpetual Securityholders and/or as otherwise specified in the applicable Pricing Supplement.

Form and Denomination of Perpetual Securities : The Perpetual Securities will be issued in bearer form or registered form and in such denominations as may be agreed between the Issuer and the relevant Dealer(s). Each Tranche or Series of bearer Perpetual Securities may initially be represented by a Temporary Global Security or a Permanent Global Security. Each Temporary Global Security may be deposited on the relevant issue date with CDP, a Common Depositary and/or any other agreed clearing system and will be exchangeable, upon request as described therein, either for a Permanent Global Security or definitive Perpetual Securities (as indicated in the applicable Pricing Supplement). Each Permanent Global Security may be exchanged, unless otherwise specified in the applicable Pricing Supplement, upon request as described therein, in whole (but not in part) for definitive Perpetual Securities upon the terms therein. Each Tranche or Series of registered Perpetual Securities will initially be represented by a Global Certificate. Each Global Certificate may be registered in the name of, or in the name of a nominee of CDP, a Common Depositary and/or any other agreed clearing system. Each Global Certificate may be exchanged, upon request as described therein, in whole (but not in part) for Certificates upon the terms therein. A Certificate shall be issued in respect of each Perpetual Securityholder's entire holding of registered Perpetual Securities of one Series.

For so long as the Perpetual Securities are listed on the SGX-ST and the rules of the SGX-ST so require, in the event that the Global Security is exchanged for definitive Perpetual Securities or, as the case may be, the Global Certificate is exchanged for definitive Certificates, the Issuer will appoint and maintain a paying agent in Singapore, where the Perpetual Securities may be presented or surrendered for payment or redemption. In addition, for so long as the Perpetual Securities are listed on the SGX-ST and the rules of the SGX-ST so require, in the event that the Global Security is exchanged for definitive Perpetual Securities or, as the case may be, the Global Certificate is exchanged for definitive Certificates, an announcement of such exchange shall be made by the Issuer through the SGX-ST and such announcement shall include all material information with respect to the delivery of the definitive Perpetual Securities or, as the case may be, the definitive Certificates, including details of the paying agent in Singapore.

Custody of the Perpetual Securities : Perpetual Securities which are to be cleared through CDP are required to be kept with CDP as authorised depository. Perpetual Securities which are to be cleared through Euroclear and/or Clearstream, Luxembourg are required to be kept with the Common Depository.

Status of the Senior Perpetual Securities : The Senior Perpetual Securities and Coupons relating to them constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.

Status of the Subordinated Perpetual Securities : The Subordinated Perpetual Securities and Coupons relating to them constitute direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with any Parity Obligations of the Issuer.

For the purposes of this section, “**Parity Obligations**” means, in relation to the Issuer, any instrument or security (other than shares, which includes but is not limited to redeemable preference shares, preference shares and ordinary shares) issued, entered into or guaranteed by the Issuer (1) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the Subordinated Perpetual Securities and (2) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer and/or, in the case of an instrument or security guaranteed by the Issuer, the issuer thereof.

- Subordination of the Subordinated Perpetual Securities : Subject to the insolvency laws of Bermuda and other applicable laws, in the event of the winding-up of the Issuer, the rights of the Perpetual Securityholders and Couponholders in respect of Subordinated Perpetual Securities to payment of principal of and distribution on the Subordinated Perpetual Securities and the Coupons relating to them are expressly subordinated and subject in right of payment to the prior payment in full of all claims of senior creditors of the Issuer but at least *pari passu* with all other subordinated obligations of the Issuer that are not expressed by their terms to rank junior to the Subordinated Perpetual Securities and/or as otherwise specified in the applicable Pricing Supplement, but always in priority to the claims of shareholders of the Issuer.
- No set-off in relation to Subordinated Perpetual Securities : Subject to applicable law, no holder of Subordinated Perpetual Securities or any Coupons relating to them may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them and each holder of Subordinated Perpetual Securities or any Coupons relating to them shall, by virtue of his holding of any Subordinated Perpetual Securities or Coupons relating to them, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer. Notwithstanding the preceding sentence, if any of the amounts owing to any holder of Subordinated Perpetual Securities or any Coupons relating to them by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them is discharged by set-off, such holder of Subordinated Perpetual Securities or any Coupons relating to them shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its winding-up or administration, the liquidator or, as appropriate, administrator of the Issuer) and, until such time as payment is made, shall hold such amount in trust for the Issuer (or the liquidator or, as appropriate, administrator of the Issuer) and accordingly any such discharge shall be deemed not to have taken place.
- Redemption at the Option of the Issuer : If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Issuer may, on giving irrevocable notice to the Perpetual Securityholders falling within the Issuer's Redemption Option Period shown on the face thereof, redeem all or, if so provided, some of the Perpetual Securities at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Perpetual Securities shall be at their Redemption Amount, together with distribution accrued (including any Arrears of Distribution and any Additional Distribution Amount) to (but excluding) the date fixed for redemption.

- Redemption for Taxation Reasons : If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount, (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to the date fixed for redemption), if:
- (i) the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) that confirms that:
 - (1) the Perpetual Securities will not be regarded as "debt securities" for the purposes of Section 43N(4) of the ITA and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations; and/or
 - (2) the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as interest payable by the Issuer for the purposes of the withholding tax exemption on interest for "qualifying debt securities" under the ITA; or
 - (ii) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 of the Perpetual Securities, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Bermuda, Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and such obligations 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 Perpetual Securities then due.

- Redemption for Accounting Reasons : If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to the date fixed for redemption) if, on such Distribution Payment Date or any time prior to or after that Distribution Payment Date, as a result of any changes or amendments to Singapore Financial Reporting Standards issued by the Singapore Accounting Standards Council, as amended from time to time (the "SFRS") or any other accounting standards that may replace SFRS for the purposes of the consolidated financial statements of the Issuer (the "**Relevant Accounting Standard**"), the Perpetual Securities will not or will no longer be recorded as "equity" of the Issuer pursuant to the Relevant Accounting Standard.
- Redemption for Tax Deductibility : If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders and the Trustee (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), if:
- (i) the Issuer satisfies the Trustee immediately before giving such notice that, as a result of:
 - (1) any amendment to, or change in, the laws (or any rules or regulations thereunder) of Bermuda, Singapore or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date;
 - (2) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date; or

- (3) any generally applicable official interpretation or pronouncement which is issued or announced on or after the Issue Date that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position which is announced before the Issue Date,

distributions (including any Arrears of Distribution and any Additional Distribution Amount) by the Issuer are no longer, or would in the Distribution Period immediately following that Distribution Payment Date no longer be, regarded as sums “payable by way of interest upon any money borrowed” for the purposes of Section 14(1)(a) of the ITA for Bermuda or Singapore income tax purposes; or

- (ii) the Issuer receives a ruling from the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as sums “payable by way of interest upon any money borrowed” for the purposes of Section 14(1)(a) of the ITA.

Redemption upon a Change of Control : If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving no less than 30 nor more than 60 days’ notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount, (together with distribution (including Arrears of Distribution and any Additional Distribution Amount) accrued to the date fixed for redemption), following the occurrence of a Change of Control.

Redemption in the case of Minimal Outstanding Amount : If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days’ notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to the date fixed for redemption) if, immediately before giving such notice, the aggregate principal amount of the Perpetual Securities outstanding is less than 10 per cent. of the aggregate principal amount originally issued.

- Limited right to institute proceedings in relation to Perpetual Securities : Notwithstanding any of the provisions in Condition 9 of the Perpetual Securities, the right to institute proceedings for winding-up is limited to circumstances where payment has become due and the Issuer fails to make payment within seven business days of its due date. In the case of any distribution, such distribution will not be due if the Issuer has elected not to pay that distribution in accordance with Condition 4(IV) of the Perpetual Securities.
- Enforcement Events : If (i) a final and effective order is made or an effective resolution is passed for the bankruptcy, winding-up, liquidation, receivership or similar proceedings in respect of the Issuer or (ii) the Issuer fails to pay the principal of or any distributions on any of the Perpetual Securities when due and such failure continues for a period of seven business days after the due date (together, the “**Enforcement Events**”), the Issuer shall be deemed to be in default under the Trust Deed and the Perpetual Securities and the Trustee may (but is not obliged to), subject to the provisions of Condition 9(d) of the Perpetual Securities, institute proceedings for the winding-up of the Issuer and/or prove in the winding-up of the Issuer and/or claim in the liquidation of the Issuer for such payment.
- Taxation : All payments in respect of the Perpetual Securities and the Coupons by 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 imposed, levied, collected, withheld or assessed by or within Bermuda, Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Perpetual Securityholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, save for certain exceptions. For further details, please see the section on “Singapore Taxation” herein.
- Listing : Each Series of the Perpetual Securities may, if so agreed between the Issuer and the relevant Dealer(s), be listed on the SGX-ST or any stock exchange(s) as may be agreed between the Issuer and the relevant Dealer(s), subject to all necessary approvals having been obtained.
- Board Lot Size : The Perpetual Securities will be traded in a minimum board lot size of not less than S\$200,000 (or its equivalent in other currencies) for so long as the Perpetual Securities are listed on the SGX-ST and the rules of the SGX-ST so require.
- Selling Restrictions : For a description of certain restrictions on offers, sales and deliveries of Perpetual Securities and the distribution of offering material relating to the Perpetual Securities, please see the section on “Subscription and Sale” herein. Further restrictions may apply in connection with any particular Series or Tranche of Perpetual Securities.

Governing Law and Jurisdiction : The Perpetual Securities, the Coupons and the Talons are governed by, and construed in accordance with, the laws of Singapore, save that Conditions 3(b)(i) to 3(b)(iii) of the Perpetual Securities and Clauses 8.3.1 to 8.3.3 of the Trust Deed are governed by, and shall be construed in accordance with, the laws of Bermuda.

The courts of Singapore are to have non-exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Perpetual Securities, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Perpetual Securities, Coupons or Talons may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the non-exclusive jurisdiction of such courts.

RISK FACTORS

Prior to making an investment or divestment decision, prospective investors or existing holders of the Securities should carefully consider, amongst other things, all the information set forth in this Information Memorandum including any documents incorporated by reference herein and the risk factors set out below.

The risk factors set out below do not purport to be complete or comprehensive of all the risk factors that may be involved in the business, assets, financial condition, results of operations, performance or prospects of the Issuer and/or the Group or the properties owned by the Group or any decision to purchase, own or dispose of the Securities. Additional risk factors which the Issuer is currently unaware of may also impair its business, assets, financial condition, results of operations, performance or prospects. If any of the following risk factors develops into actual events, the business, assets, financial condition, performance or prospects of the Issuer and/or the Group could be materially and adversely affected. In such cases, the ability of the Issuer to comply with its respective obligations under the Trust Deed and the Securities may be adversely affected and the investors may lose all or part of their investments in the Securities.

Limitations of this Information Memorandum

This Information Memorandum does not purport to nor does it contain all information that a prospective investor in or existing holder of the Securities may require in investigating the Group, prior to making an investment or divestment decision in relation to the Securities issued under the Programme

Neither this Information Memorandum nor any document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the Securities (or 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, either of the Arrangers, any of the Dealers or the Trustee that any recipient of this Information Memorandum or any such other document or information (or such part thereof) should subscribe for or purchase or sell any of the Securities.

This Information Memorandum is not, and does not purport to be, investment advice. A prospective investor should make an investment in the Securities only after it has determined that such investment is suitable for its investment objectives. Determining whether an investment in the Securities is suitable is a prospective investor's responsibility, even if the investor has received information to assist it in making such a determination. Each person receiving this Information Memorandum acknowledges that such person has not relied on the Issuer, its subsidiaries, its associated companies (if any) and/or its joint venture companies (if any), either of the Arrangers, any of the Dealers, the Trustee 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 of this Information Memorandum contemplating subscribing for or purchasing or selling the Securities should determine for itself the relevance of the information contained in this Information Memorandum 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 the Issuer and/or the Group, the terms and conditions of the Securities and any other factors relevant to its decision, including the merits and risks involved. A prospective investor should consult with its legal, tax and financial advisers prior to deciding to make an investment in the Securities.

This Information Memorandum contains forward-looking statements. These forward-looking statements are based on a number of assumptions which are subject to uncertainties and contingencies, many of which are outside the Issuer's control. The forward-looking information in this Information Memorandum may prove inaccurate. Please see the section entitled "Forward-looking Statements" on page 7 of this Information Memorandum.

RISKS RELATING TO THE ISSUER'S AND THE GROUP'S BUSINESS, FINANCIAL CONDITION AND/OR RESULTS OF OPERATIONS

A substantial portion of the revenue and income of the Issuer is derived from the management of listed REITs, and the Issuer would be adversely affected if any of the REITs' financial conditions are materially and adversely affected or the Issuer's management services are terminated in relation to any of the REITs managed by the Issuer

A substantial portion of the Issuer's revenue and income is derived from its management of listed REITs. In addition, the Issuer is also entitled to receive income from Hui Xian REIT through the Issuer's share of profits of associates from the Issuer's 30.0% effective interest in the manager of Hui Xian REIT.

The Issuer's fees from the management of each of the listed REITs it manages comprise (i) base fees, which are generally based on the value of the REIT's assets under management, (ii) performance fees, which are based on the net property income of the REIT and (iii) acquisition and divestment fees, which are based on the acquisition or sale price of any real estate purchased or sold by the REIT. A decrease in the value of the properties held by the REITs or the net property income of the REITs would result in a corresponding decrease in the Issuer's base fees and/or performance fees. Any condition which might have a material adverse effect on the REITs' operating performance and financial condition could have a material adverse impact on the Issuer.

In the event that the Issuer's management services are terminated in relation to any of the listed REITs it manages, its revenue and profitability would also be adversely affected.

In addition, as a significant portion of the fees the Issuer currently receives for the management of the listed REITs are in the form of REIT units, changes in the unit prices of the REITs between the time the Issuer receives the units and the time the Issuer sells them in the market (which may be due to factors unrelated to their operating performance or financial condition) may have an adverse impact on the Issuer's cashflow.

The Issuer is dependent on the management of investments in real estate for its revenue and is exposed to the general risks associated with such investments

The Issuer depends on its management of investments in real estate as its revenue is substantially dependent on (i) the value of the real estate assets and (ii) the net property income generated from real estate assets. The private real estate funds the Issuer manages generally entitles it to earn a performance fee comprising stated percentages of the annual internal rate of return of the fund in excess of one or more "hurdle" rates of return. Each of these types of revenue would be affected by downturns in the real estate cycle as well as unfavourable economic conditions.

To the extent the Group invests in funds and REITs as seed or strategic investments, it will be exposed directly to the risks of the funds' investments and the performance of the REITs.

Investments in real estate are subject to various risks, including but not limited to:

- risks relating to the Group's business and operations, such as the financial conditions of tenants, buyers and sellers of properties, loss of anchor tenants, inability to collect rents from tenants on a timely basis or not at all due to bankruptcy or insolvency of tenants or otherwise, the nature and length of a typical guest's stay (some guests typically stay on a short term basis and there is therefore no assurance of long-term occupancy for hotel rooms), competition among property owners for tenants, which may lead to vacancies or an inability to rent space on favourable terms, inability to renew leases or re-let space as existing leases expire, physical damage to the properties and defects affecting the portfolio properties which need to be rectified and other repair, maintenance of the portfolio properties, leading to unforeseen capital expenditure which may be required, relative illiquidity of real estate investments, changes in availability of debt or equity financing, changes in laws and regulations in the countries in which the Group operates, including zoning laws, environmental laws and other governmental rules and fiscal policies and environmental claims arising in respect of real estate and liability for environmental problems;
- risks relating to global macroeconomic and geopolitical conditions, such as adverse changes in political, economic or market conditions in the countries in which the Group operates and in the relative popularity of property types and locations leading to unfavourable circumstances in the property market (for example, periodic oversupply of, or reduction in tenant demand for, properties in office, retail, logistics/industrial, hospitality and residential sectors), compulsory acquisition, adverse changes in market rents and capital values, changes in interest rates, changes in exchange rates; and
- other risks, such as acts of God, wars, terrorist attacks, riots, civil commotions, widespread communicable diseases, natural disasters, uninsurable losses, increased cost of travel or industrial action and events that reduce domestic or international travel.

Many of these factors may cause fluctuations in occupancy rates, rental rates or operating expenses, causing a negative effect on the value of real estate and income derived from real estate. The value of the assets of the REITs and the private real estate funds the Issuer manages, as well as the net property income of these REITs and returns on these private real estate funds, will reflect such factors and as a result may fluctuate upwards or downwards, thereby affecting the fees the Issuer derives from the management of these REITs and private real estate funds.

Additionally, if the private real estate funds the Issuer manages acquire direct or indirect interests in undeveloped land or under-developed real estate which may be non-income producing, they will be subject to the risks normally associated with such assets and development activities, including risks relating to the availability and timely receipt of zoning, environmental and other regulatory approvals, the cost and timely completion of construction (including risks beyond the control of such funds, such as weather or labour conditions or shortages of materials) and the availability of favourable terms on both construction and financing arrangements.

Further, if economic conditions are unfavourable, the REITs and private real estate funds the Issuer manages may not perform well and the Issuer may not be able to raise additional capital. The performance of the REITs and private real estate funds the Issuer manages are materially affected by conditions in the global financial markets and economic conditions. The global market and economic climate may deteriorate because of many factors beyond the Issuer's control, including terrorism or political uncertainties.

Further, if the asset value of the REITs and private real estate funds the Issuer manages, the net property income of these REITs or returns on these private real estate funds are adversely affected, the Issuer's business, results of operations, financial condition and prospects could be adversely affected.

The Issuer depends on Mr Lim Hwee Chiang John and other senior personnel and the loss of their services or the Group's inability to recruit additional key personnel may impair its operations and growth and have a material adverse effect on the Group

The Issuer is an intellectual capital-intensive business and its success depends largely on its ability to attract and retain experienced key personnel, primarily its senior management and the senior management of each of the Issuer's business units. In particular, the success of the Group's business depends to a material extent on the personal reputation, business generation capabilities, network and business relationships with members of the business community and real estate industry, judgment and project execution skills of Group Chief Executive Officer, Mr Lim Hwee Chiang John, as well as the Issuer's other senior personnel. In particular, the personal reputation and business generation capabilities of Mr Lim and the Issuer's senior personnel are critical elements in the Issuer's ability to obtain and maintain client engagements and raise capital. Accordingly, their retention is crucial to the Issuer's success. The loss of their services could have a material adverse effect on the Group. The Issuer does not carry any "key man" insurance that would provide the Issuer with proceeds in the event of their death or disability.

Further, the Issuer may not succeed in recruiting additional personnel or in retaining current key personnel as the market for such personnel is extremely competitive. The Issuer's business relies on the expertise, business origination efforts and client relationships of its senior management and the Issuer depends on them to identify business opportunities and formulate its policies. If the Issuer is unable to attract or retain senior management, or if one or more of its senior management are unable or unwilling to continue in their present positions, join a competitor or form a competing company, the Issuer may not be able to replace them readily or at all and the Issuer's business may be adversely affected. While it is the Issuer's policy to require members of its senior management not to compete with the Issuer during their employment and for a period of at least six months after resignation, there is no assurance that such covenants will be enforceable and be upheld by the applicable courts. Efforts to retain or attract key personnel may also result in significant additional expenses, which could adversely affect the Issuer's profitability.

The historical returns attributable to the REITs and private real estate funds managed by the Issuer should not be considered as indicative of the future results of the REITs or private real estate funds managed by the Issuer or of its future results

The performance of the REITs the Issuer manages are relevant to it primarily insofar as its base and performance fees are linked to such performance. The historical and potential future returns of the assets or funds managed by the Issuer are not directly linked to the Group's results and as such, the continued positive performance of the REITs and private real estate funds managed by the Issuer will not necessarily result in positive results of operations for the Group. However, the poor performance of the REITs and/or private real estate funds the Issuer manages will cause a decline in its performance and variable fees from such REITs and private real estate funds, and may therefore have a negative effect on the Issuer's results of operations. Moreover, the returns of the REITs and private real estate funds the Issuer manages have benefited from investment opportunities and general market conditions that may not repeat themselves, and there can be no assurance that current or future REITs and private real estate funds the Issuer manages will be able to avail themselves of profitable investment opportunities.

The Issuer is dependent on business relationships with STC, the Cheung Kong Group, Warburg Pincus and AVIC Trust, and there is no assurance that the Issuer's business partners will not compete with it in the future

The Issuer is dependent on business relationships with STC, the Cheung Kong Group, Warburg Pincus and AVIC Trust. STC is one of the Issuer's controlling shareholders since 2013 subsequent to the strategic alliance which included the establishment of Straits Real Estate Pte. Ltd., a co-investment vehicle by STC and Mr Lim Hwee Chiang John. As at 30 September 2017, STC is the anchor investor of certain funds under ARA Private Funds and has made strategic investments into REITs managed by the Issuer.

Members of the Cheung Kong Group are the sponsors of Fortune REIT and Prosperity REIT. The Issuer's strong business relationships with STC and the Cheung Kong Group remains a very important part of the network through which the Issuer seeks to originate more transactions and capital sourcing.

Warburg Pincus and AVIC Trust joined as new partners in a consortium led by Mr Lim Hwee Chiang John, STC and the Cheung Kong Group which privatised the Issuer in 2017.

There can be no assurance that the Issuer's business relationships with STC, the Cheung Kong Group, Warburg Pincus and AVIC Trust will continue. If STC, the Cheung Kong Group, Warburg Pincus or AVIC Trust at any time ceases or reduces the extent of their respective business relationship with the Issuer, whether as a result of providing business opportunities to other real estate fund managers or setting up similar REIT management or private fund management businesses or otherwise, the Issuer's future business prospects could be adversely affected.

STC, the Cheung Kong Group, Warburg Pincus and AVIC Trust engage in a wide range of business activities and it cannot be assured that STC, the Cheung Kong Group, Warburg Pincus or AVIC Trust will not compete with the Issuer or that the Issuer's interests will not conflict with or be subordinated to those of STC, the Cheung Kong Group, Warburg Pincus or AVIC Trust in the future.

The Issuer has experienced rapid growth, which may be difficult to sustain and which may place additional demands on its administrative, operational and financial resources

The Issuer has been involved in and taken on the management of new REITs since 2003, and have added value in growing the AUM of these REITs since its listing. The Issuer has also grown its private fund platform since 2007 to approximately S\$11.0 billion worth of assets and capital as at 30 September 2017. Furthermore, the Group has since 2014 expanded its reach across the Asia Pacific by establishing the Country Desks in Australia, China, South Korea, Malaysia, USA and Japan. The Group's AUM has grown from approximately S\$609.0 million as at 31 December 2003 to approximately S\$35.0 billion as at 30 September 2017. This rapid growth has caused, and if it continues, will continue to cause, additional demands on the Issuer's management, human resources, legal, accounting and operational infrastructure, and increased expenses. In addition, the Issuer is required to continuously develop its systems and infrastructure in response to the increasing sophistication of the investment management market and legal, accounting and regulatory developments. The Issuer's future growth will depend, among other things, on its ability to maintain an operating platform and management system sufficient to address its growth and will require it to incur additional expenses and to commit additional operational resources. The significant challenges that the Issuer faces include:

- maintaining adequate financial and business controls;
- implementing new or updated information and financial systems and procedures; and
- hiring, retaining, training, managing and appropriately sizing the Group's work force, particularly its senior personnel, on a timely and cost-effective basis.

There can be no assurance that the Issuer will be able to manage its expanding operations effectively and efficiently or that it will be able to continue to grow, and any failure to do so could adversely affect its ability to generate additional revenue and control its expenses, which in turn could have a material adverse effect on its business, financial condition, results of operations and prospects.

Any failure in managing private real estate funds may adversely affect the Group's business, financial condition, results of operations and prospects

If the private real estate funds the Issuer manages do not perform as expected, the revenue the Issuer derives from this business will be adversely affected, since it is or will be tied to the value and performance of the funds. The funds the Issuer manages may face withdrawals by investors and be unable to attract new subscriptions. As the Issuer also expects to commit seed capital to the private real estate funds it manages, it may also lose some or all of its investment in these funds if the investments made by the funds fail or perform poorly. In addition, a sustained or material poor performance of the Issuer's private real estate fund management business may adversely affect the Issuer's reputation and make it less effective in securing future investments and capital for new funds that it may wish to set up. Furthermore, as private real estate funds have fixed life spans, the Issuer's funds under management may decline as its private real estate funds reach the end of their life spans, if new private real estate funds are not established to introduce additional funds under the Issuer's management. The occurrence of any or all of the above may adversely affect the Group's business, financial condition, results of operations and prospects.

Restrictive covenants and potential conflicts of interest could restrict the expansion of the Issuer's real estate fund management businesses, and the Issuer's failure to deal appropriately with conflicts of interest could damage the Group's reputation and adversely affect the Group's business

Although each of the REITs and private real estate funds the Issuer manages is focused on different real estate sectors and/or geographic markets, and the Issuer believes the REITs and private real estate funds it manages have different and complementary strategies, it is possible that the REITs and private real estate funds the Issuer manages may have overlapping objectives and common target properties in certain circumstances, and potential conflicts of interests may arise with respect to the Issuer's decisions regarding how to allocate opportunities among these REITs and private real estate funds. In addition, the Issuer is bound by certain restrictive covenants that could limit opportunities for expansion which may otherwise be available to it.

Further, the Issuer has entered into a joint venture agreement with CWT Limited in relation to Cache, pursuant to which the Issuer has undertaken not to compete, directly or indirectly, with the manager of Cache in Singapore, Malaysia, Indonesia, Philippines, Thailand, Vietnam, China, India, Hong Kong, Macau, Taiwan, Japan, South Korea, Australia and New Zealand in relation to the setting up, management or operation of other logistics REITs and not to set up or control any entity in such countries which establishes, manages or operates any other logistics REIT.

The Issuer may encounter potential conflicts of interest relating to its activities. Appropriately dealing with conflicts of interest is complex and difficult and the Issuer's reputation could be damaged if it fails, or appears to fail, to deal appropriately with one or more potential or actual conflicts of interests. In addition, regulatory scrutiny of, or litigation in connection with, any such conflicts of interest would have a material adverse effect on the Issuer's reputation which would materially and adversely affect the Group's business in a number of ways, including the Group's ability to attract new funds.

The fund management industry is intensely competitive

The REIT and private fund management industries in which the Group operates are affected by intense competition in the real estate sector. The Group faces significant competition both in acquiring investments for the REITs and private real estate funds the Issuer manages and in the pursuit of investors' capital for the private real estate funds the Issuer manages or sets up. The Issuer's REIT management business faces competition primarily in acquiring additional properties for the REITs the Issuer currently manages and for new REITs the Issuer may intend to establish. The Issuer's private fund businesses face competition in the pursuit of investors' capital as well as in seeking value investment opportunities. The Group competes with other private real estate funds, specialist investment funds, hedge fund sponsors, other financial institutions, corporate buyers and other parties for such capital and investment opportunities.

For acquisitions and investment opportunities, the Group competes with other REITs, other private real estate funds, specialist investment funds, corporate buyers and other parties, primarily on price, speed of execution, access to market information about suitable investment opportunities and payment terms. However, in some instances, REITs are required to obtain unitholders' approval to raise funds before completion of an acquisition, and therefore may require longer completion periods. In addition, since REITs typically invest in yield-accretive assets, they may not be able to offer the same or better price as private real estate funds, corporate buyers or other investors. In raising capital for the REITs and private real estate funds the Issuer manages, the Issuer competes primarily on the basis of the following factors: investment performance, investor perception of the Group's drive, focus and alignment of interest, quality of service provided to and relationship with investors, access to capital, level of fees and expenses charged for services, brand recognition, transaction execution skills, range of products and services and innovation.

A number of factors serve to increase the Issuer's competitive risks:

- many of the Issuer's competitors, particularly those in the fund management business, are substantially larger, have greater capital and other resources, offer more comprehensive lines of products and services, and have considerably greater financial, technical and marketing resources than are available to it. Some of the Issuer's competitors may also have a lower cost of capital and access to funding sources that are not available to the Issuer, which may create competitive disadvantages for it with respect to investment opportunities and capital raising. In addition, some of these competitors may have higher risk tolerances, different risk assessments or lower return thresholds, which could allow them to consider a wider variety of investments and to bid more aggressively than the Issuer for investments that the Issuer wants to make. Corporate buyers may be able to achieve synergistic cost savings with regard to an investment that may provide them with a competitive advantage in bidding for an investment;
- there are relatively few barriers to entry for new private fund management firms to enter the market, and the successful efforts of new entrants into the Group's various lines of business will result in increased competition;
- the allocation of increasing amounts of capital to the real estate sector in the Asia Pacific region directly by institutional and individual investors could lead to a reduction in opportunities in the real estate sector that the Issuer seeks to capitalise on; and
- over the past several years, the size and number of private real estate funds have continued to increase. If this trend continues, it is possible that it will become increasingly difficult for the private real estate funds the Issuer manages or seeks to set up to raise capital.

In addition, the REITs and private real estate funds the Issuer manages compete for tenants or guests, as the case may be, with numerous owners and operators of office, hospitality, industrial and retail properties, many of which own properties similar to those of the REITs and private real estate funds the Issuer manages. An inability to compete effectively could adversely affect the businesses, financial conditions and results of operations of the REITs and private real estate funds managed by the Issuer. This would in turn affect the fees the Issuer derives from its management.

If the Issuer fails to compete effectively, the Group's business, financial condition, results of operations and prospects could be adversely affected.

The Group is subject to third party litigation risk which could result in significant liabilities and reputational harm which could materially and adversely affect the Group's business, financial condition, results of operations, prospects and liquidity

In general, the Group is exposed to risk of litigation by investors of the REITs and private real estate funds the Group manages if its management of any REIT or fund is alleged to constitute fraud, negligence, wilful default, breach of applicable laws or regulations or breach of the relevant trust deed or other constitutive documents or breach of the relevant portfolio management agreement. Investors could sue the Group to recover amounts lost by the funds the Group manages due to its alleged misconduct. Further, the Group may be subject to litigation arising from investor dissatisfaction with the performance of the REITs and private real estate funds it manages. The Group is exposed to risks of litigation or investigation relating to transactions where potential conflicts of interest were not properly addressed. In such actions, the Group may be obligated to bear legal, settlement and other costs, which may be in excess of the available insurance coverage. If the Group is required to bear all or a portion of the damages or costs arising out of litigation or investigations as a result of inadequate insurance proceeds or failure to obtain indemnification from the REITs and private real estate funds the Group manages, its business, financial condition, results of operations, prospects and liquidity could be materially and adversely affected.

Dependence on leverage in investments by the REITs and private real estate funds the Issuer manages could adversely affect their performance which may in turn adversely affect the Group

As investments of the REITs and private real estate funds the Group manages may rely on the use of leverage, the Group's ability to achieve attractive yields and rates of return on the investments the Issuer manages on behalf of such REITs and private real estate funds may depend on the Group's continued ability to access sufficient sources of financing at attractive rates. The REITs the Issuer manages are subject to regulatory limits on leverage, while the private real estate funds the Issuer manages may use significantly higher leverage. Due to the use of leverage, indebtedness may constitute a majority of a real estate asset's value. An increase in either the general levels of interest rates or in the risk spread demanded by sources of financing would make it more expensive to finance those investments.

Highly leveraged investments are inherently more sensitive to declines in revenue, increases in expenses and interest rates and adverse economic, market and industry developments. The incurrence of a significant amount of indebtedness by an entity could, among other things:

- give rise to an obligation to make mandatory prepayments of debt using excess cash flow, which might limit the entity's ability to respond to changing industry conditions to the extent additional cash is needed for the response, to make unplanned but necessary capital expenditures or to take advantage of growth opportunities;
- limit the entity's ability to adjust to changing market conditions, thereby placing it at a competitive disadvantage compared to its competitors who have relatively less debt;

- limit the entity's ability to engage in strategic acquisitions that might be necessary to generate attractive returns or further growth; and
- limit the entity's ability to obtain additional financing or increase the cost of obtaining such financing, including for capital expenditures, working capital or general corporate purposes.

Any of the foregoing circumstances could have a material adverse effect on the performance of the REITs and private real estate funds the Issuer manages, which may in turn adversely affect the Group's business, financial condition, results of operations, prospects and cashflow.

Fee pressures on management fees for the existing or future REITs or private real estate funds that the Issuer manages could reduce the Issuer's future margins

There has been a trend towards lower fees in the REITs and private fund management industries. In order for the Issuer to maintain its fee structure in a competitive environment for REITs and funds that it manages, the Issuer must be able to provide clients with investment returns and service that will encourage them to be willing to pay such fees. In addition, fees payable to REIT managers may be subject to regulatory requirements. Any fee reductions in relation to existing or future REITs or private real estate funds which the Issuer manages without corresponding decreases in the Issuer's cost structure would have an adverse impact on its future margins.

The due diligence process that the Issuer undertakes in connection with investments by the REITs and private real estate funds it manages may not reveal all facts that may be relevant in connection with an investment

Before making investments on behalf of the REITs and private real estate funds the Issuer manages, the Issuer conducts due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence and making an assessment regarding an investment, the Issuer relies on the resources available to it, including information provided by the target of the investment or seller of a property and, in some circumstances, third party investigations. As part of the due diligence process, the Issuer may be required to evaluate important and complex business, financial, tax, accounting, environmental, regulatory and legal issues. Third party consultants, legal advisors, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment. The due diligence investigation that the Issuer will carry out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful. If the investments the Issuer makes on behalf of the REITs and private real estate funds it manages do not perform as expected, the performance of such REITs and private real estate funds may be adversely affected, which may in turn adversely affect the Group's business, financial condition, results of operations, prospects and cashflow.

The Group's businesses are subject to significant regulation in certain jurisdictions, and compliance failures and changes in regulation could adversely affect the Group

The REIT management industry is subject to extensive regulation in certain jurisdictions in which the Group operates. For example, in Hong Kong, the Issuer's subsidiaries that manage Prosperity REIT, Hui Xian REIT and Fortune REIT and their responsible officers must be licensed by the local regulator to carry on these activities. Each of the regulatory bodies with jurisdiction over the Group has regulatory powers dealing with many aspects of the Group's services, including the authority to grant, and in specific circumstances to cancel, permissions to carry on particular businesses.

Certain of the Issuer's subsidiaries are capital markets services licence holders and are subject to regulatory requirements. For instance, the subsidiaries which are capital markets services licence holders registered by the MAS to conduct the regulated activity of REIT management are subject to the requirements under the SFA, Securities and Futures (Licensing and Conduct of Business) Regulations and Securities and Futures (Financial and Margin Requirements for Holders of Capital Markets Services Licences) Regulations.

With respect to private real estate funds, the Issuer also relies on certain exemptions. The Issuer's failure to comply with any obligations or comply with applicable terms or restrictions of any exemption could result in investigations, sanctions, such as the termination of the Issuer's licenses, and reputational damage.

The Issuer may also be adversely affected if new or revised legislation or regulations are enacted, if current exemptions which the Issuer relies on are changed, or by changes in the interpretation or enforcement of existing rules and regulations imposed. Any such changes could increase the Group's cost of doing business or materially and adversely affect its profitability.

Fluctuations in exchange rates may adversely affect the Group's business and its reported financial results

Because of the geographic diversity of the Group's business, it receives income and incurs expenses in a variety of currencies such as U.S. dollar, Malaysian ringgit, Korean won, Hong Kong dollar, RMB, Australian dollar and Japanese yen. However, the Group's financial statements are presented in Singapore dollars. The value of the U.S. dollar, Malaysian ringgit, Korean won, Hong Kong dollar, RMB, Australian dollar and Japanese yen against the Singapore dollar fluctuates and is affected by changes to the Singapore and international political and economic conditions and by many other factors. Therefore, a decline in the value of any of these currencies relative to the Singapore dollar will generally adversely affect the Group's reported results of operations. Changes in the value of any of these currencies relative to the Singapore dollar could also cause fluctuations in the Group's business, financial condition, results of operations and prospects and could have a material adverse effect on the Group's reported financial statements.

The Group's operations are subject to country-specific risks, including political, regulatory, economic and currency risks

The Issuer currently manages public-listed REITs listed in Singapore and Hong Kong, and private real estate funds and private REITs that invest in Singapore, Hong Kong, Malaysia, China, Australia and South Korea, and may expand to other countries. Accordingly, the Group is subject to all the risks inherent in doing business in the jurisdictions in which it operates. The Group's business, earnings, prospects and value of assets that it manages may be materially and adversely affected by a variety of conditions and developments, including:

- inflation, interest rates, and general economic conditions;
- governmental policies, laws and regulations, particularly those relating to asset and fund management, marketing, fund raising and real estate, and changes to such policies, laws and regulations;
- difficulties and costs of staffing and managing international operations;
- price controls;
- the ability of the Group's management to deal with multiple, diverse regulatory regimes;

- potentially adverse tax consequences;
- the risk of nationalisation and expropriation of the Group's assets;
- currency fluctuation and regulation risks;
- social unrest or political instability;
- adverse economic, political and other conditions; and
- terrorism

in each of the countries in which the Group currently, or in the future, conducts business.

Such conditions, developments, measures and the introduction of any new measures and other risks associated with conducting business in the countries the Group operates in, many of which are outside its control, may have an adverse effect on the business, financial condition, results of operations and prospects of the Group. Other policies and measures introduced and which may be introduced by the respective governments of the countries in which the Group operates in may lead to changes in market conditions, including price instability and an imbalance between supply of and demand for properties in the Asia Pacific region. The respective governments may adjust interest rates, tax rates and other economic policies or impose other regulations or restrictions that may have an adverse effect on the property market, which may adversely affect the Group's business. The Issuer expects its exposure to these risks to increase as it continues to expand its operations into other countries.

The Issuer does not have effective control of the manager of Hui Xian REIT

The Issuer holds a 30.0% effective interest in the manager of Hui Xian REIT. The investments made by Hui Xian REIT must be approved by the board of directors of the manager. There is no assurance that the Issuer's partners in Hui Xian REIT will not in the future take over the day-to-day management of Hui Xian REIT. If this occurs, and the investments the manager makes on behalf of Hui Xian REIT do not perform as expected, the performance of Hui Xian REIT may be adversely affected, which may in turn adversely affect the Group's business, financial condition, results of operations and prospects.

The private real estate funds the Issuer manages or may set up, invest or may invest in relatively high-risk, illiquid assets, and they may fail to realise any profits from these activities for a considerable period of time or lose some or all of the principal amount of these investments

The private real estate funds the Issuer manages or may set up, invest or may in the future invest in real estate-related assets that are relatively illiquid. The ability of such funds to dispose of investments is heavily dependent on the market conditions prevailing from time to time. Furthermore, such dispositions typically take time and therefore will be subject to risks of downward movement in market prices during the disposition period. If the funds the Issuer manages are unable to liquidate their assets at the opportune time, they may fail to realise any profits for a considerable period of time or lose some or all of the principal amount of those investments, which could in turn adversely affect the Group's business, financial condition, results of operations and prospects and the Group's reputation which may make it more difficult for the Group to raise new capital in the future.

Poor performance of the private real estate funds managed by the Issuer may affect its business, financial condition, results of operations and prospects as well as its future revenue, income and cashflow, and may obligate the Issuer to repay carried interest paid to it, and could adversely affect its ability to raise capital for future investment funds

As part of its strategy, the Issuer intends to grow its private real estate fund management business and expect such business to account for an increased proportion of its revenue as it develops these segments. In the event that any of the investment funds the Issuer manages were to perform poorly, its revenue, income and cash flow would decline because the value of its assets under management would decrease, which would result in a reduction in management fees, and the funds' investment returns would decrease, resulting in a reduction in the performance fees it earns. Moreover, as the Issuer intends to invest its own capital as seed capital for new funds or additional capital in certain funds that it manages, the Issuer could experience losses on investments of its own capital as a result of poor investment performance by those funds. Poor performance of the funds the Issuer manages could make it more difficult for it to raise new capital. Investors and potential investors in the funds the Issuer manages continually assess such funds' performance, and its ability to raise capital for existing and future funds will depend on such funds' continued satisfactory performance.

Risks relating to the Issuer's private real estate funds

In addition to the risks described above, the Issuer is also subject to various additional risks relating to its private real estate funds, including the following:

- **Local and international investment restrictions:** Local and international investment restrictions in some Asian countries that preclude or restrict the management control of resident companies by foreign investors or restrict foreign ownership in companies, assets or properties, may render the funds unable to exercise effective management control of companies or properties in which they have an interest or adversely affect the funds' ability to make investments on advantageous terms.
- **Availability and quality of foreign financial information:** Companies and businesses in the Asian region generally are subject to accounting, auditing and financial disclosure standards and obligations that differ, in some cases significantly, from those in more developed countries. These differences and limitations may adversely affect the funds' ability to find, perform due diligence investigations of, and manage appropriate investment opportunities in the Asian region, and may adversely affect the value and liquidity of the funds' investments.
- **Foreign exchange controls:** Foreign exchange controls may affect the funds' ability to repatriate income, capital and the proceeds of sales.
- **Nationalisation:** There is a higher risk of nationalisation, expropriation or confiscatory taxation in emerging markets, which may have an adverse effect on the value of investments in those countries.
- **Trade barriers:** The economies of many emerging markets can be heavily dependent on international trade and, accordingly, may be adversely affected by trade barriers, managed adjustments in relative currency values, other protectionist measures imposed or negotiated by the countries with which they trade and international economic developments generally. Any such developments could adversely affect the value of the funds' investments or their ability to locate appropriate investment opportunities.

- Legal infrastructure: The real estate and the laws governing the rights of investors in certain jurisdictions in which the assets of the funds will be invested are not thoroughly developed and do not afford the protection and predictability which can be found in countries with more sophisticated laws and regulations, which could adversely affect the value and collectibility of the funds' investments in such countries.
- Development properties: The funds may invest in land intended to be developed and in properties under development. Purchase of property prior to completion of development and construction, or making loans relating to properties under development, is subject to greater risks than the purchase of properties with operating histories or making loans relating thereto.
- Joint ventures: Some of the investments are expected to be made as a joint venture or partner with the seller of property, an affiliate of the seller, or other persons. Such investments may involve risks not inherent in other types of investment vehicles.
- Lack of liquidity: The funds' investments will generally be illiquid, and the eventual liquidity of the investments will depend on the success of the realisation strategy proposed for each investment. The Issuer may therefore be required to bear the financial risk of its investment for an indefinite period of time.
- Losses in excess of insurance proceeds: The properties in which the funds may invest, could suffer physical damage caused by fire or other causes and the funds may suffer public liability claims, resulting in losses (including loss of rent) which may not be fully compensated by insurance proceeds.

Risks relating to the Issuer's private real estate funds' investments in China

Certain of the Issuer's private real estate funds are subject to the risks of investing in, among other countries, China. These include risks relating to political and economic considerations, foreign currency rate fluctuations and regulation and legal considerations.

- Political and economic considerations: Investment in a selection of China properties entails risks of a nature and degree not typically encountered in property investments in developed markets. There is a higher than usual risk in China of nationalisation, expropriation, confiscation, punitive taxation, currency restriction, political changes, government regulation, political, economic or social instability of diplomatic developments which could adversely affect the value of investments made in China and for which the funds may not be fairly compensated.
- Foreign currency rate fluctuations and regulation: The funds which operate principally through project companies will rely on dividend payments and other distributions from the project companies for income and cash flows. The project companies holding operating China properties will receive all their revenue in RMB and the proceeds from the sale of the respective China properties by the respective project companies will also be in RMB. Such revenue or proceeds of sale will have to be converted to U.S. dollars or other currencies before being paid in the form of dividends or return of capital, respectively, to the funds. Accordingly, such funds are exposed to risks associated with exchange rate fluctuations and changes in foreign exchange regulations may adversely affect the funds' results of operations. The value of RMB against foreign currencies fluctuates and is affected by changes in the Chinese and international political and economic conditions and by many other factors. The funds may be subject to foreign exchange controls which may adversely affect the ability to repatriate such income or proceeds of sale. Delays in or a refusal to grant any required approval, a revocation or variation of consents granted prior to the investments being made, or the imposition of new restrictions may adversely affect the funds' investments.

- Legal considerations: The real estate laws and in particular, the laws relevant to the rights of foreign investors and the entities through which they may invest are often unclear in China, where some of the assets of the funds may be located. The project companies holding China properties are or are to be incorporated in China as a sino-foreign equity joint venture in China or a wholly foreign-owned enterprise in China and their operations are therefore governed principally by laws and regulations in China. The China legal system is based on written statutes, and prior court decisions can only be cited as reference. Since 1979, the Chinese government has promulgated laws and regulations in relation to economic matters such as foreign investment, corporate organisation and governance, commerce, taxation and trade, with a view to developing a comprehensive system of commercial law. However, as these laws and regulations are continually evolving in response to changing economic and other conditions, and because of the limited volume of published cases and their non-binding nature, any particular interpretation of China laws and regulations may not be definitive. China may not accord equivalent rights (or protection for such rights) to those rights investors might expect in countries with more sophisticated real estate laws and regulations. Furthermore, China is geographically large and divided into various provinces and municipalities and as such, different laws, rules, regulations and policies apply in different provinces and they may have different and varying applications and interpretations in different parts of China. Any agreements entered into by the funds' project companies which are governed under China laws, may be more difficult to enforce by legal or arbitral proceedings in China than in countries with more mature legal systems. Even if the agreements generally provide for arbitral proceedings for disputes arising out of the agreements to be in another jurisdiction, it may be difficult for the funds to obtain effective enforcement in China, of an arbitral award obtained in that jurisdiction.

Valuation methodologies for real estate assets in the private real estate funds the Issuer manages can be subject to significant subjectivity and the value of real estate assets established pursuant to such methodologies may never be realised, which could result in significant losses for the private real estate funds the Issuer manages

There are no readily-ascertainable market prices for illiquid investments held by the private real estate funds the Issuer manages currently or may manage in the future. The value of the investments of the funds the Issuer manages is determined periodically by third party valuers, based on the fair value of such investments. The fair value of investments is determined using a number of methodologies described in the funds' valuation policies. These policies are based on a number of factors, including the nature of the investment, the expected cash flows from the investment, recent sales of similar properties, the length of time the investment has been held, restrictions on transfer and other recognised valuation methodologies. As the methodologies used in valuing individual investments are based on a variety of estimates and assumptions specific to the particular investments, the actual value that can be realised through a sale of such investments can vary materially as a result of the inaccuracy of such assumptions or estimates. In addition, because substantially all of the illiquid investments held by the private real estate funds the Issuer manages are in real estate, such investments are subject to rapid changes in value caused by changes and perceptions of expected changes in the general economy and the real estate sector generally.

Because there is significant uncertainty in the valuation of, or in the stability of the value of illiquid investments, the fair value of such investments as reflected in a fund's net asset value do not necessarily reflect the prices that would actually be obtained by the Issuer on behalf of the fund when such investments are sold. Realisations at values significantly lower than the values at which investments have been reflected in fund net asset value would result in losses for the applicable fund, a decline in management fees and the loss of potential performance fees. Also, a situation where asset values turn out to be materially different from values reflected in the fund's net asset values will cause investors to lose confidence in the Issuer which would, in turn, result in difficulties in raising additional new capital.

Risk management activities may adversely affect the return on investments of the private real estate funds the Issuer manages

When managing exposure to market risks, the Issuer may, from time to time, on behalf of the private real estate funds it currently or in the future manages, use forward contracts, options, swaps, caps, collars and floors or pursue other strategies or use other forms of derivative instruments to limit the private real estate funds' exposure to changes in the relative value of investments that may result from market developments, including changes in prevailing interest rates, currency exchange rates and equity prices.

The success of any hedging or other derivative transactions will generally depend on the Issuer's ability to anticipate market changes, the degree of correlation between price movements of a derivative instrument, the position being hedged, the creditworthiness of the counterparty and other factors. As a result, while the Issuer may enter into a transaction in order to reduce exposure of the funds it manages to market risks, the transaction may result in poorer overall investment performance than if it had not been executed. Such transactions may also limit the opportunity for gain if the value of a hedged position increases. Poor performance of the funds the Issuer manages could in turn affect the Group's business, financial condition, results of operations and prospects, making it more difficult for the Group to raise new capital.

Economic conditions in the Asia Pacific region, where the Group's business is concentrated, may adversely affect the business, financial condition and results of operations of the Group

Most of the Group's business activities are concentrated in the Asia Pacific region. As a result, the Group's revenue and results of operations and future growth depend, to a large extent, on the continued growth of the markets in the Asia Pacific region. Over the past years, currency fluctuations, liquidity shortages, fluctuations in interest rates and other factors have materially and adversely affected the economies of many countries in the Asia Pacific region in general, and particularly in Southeast Asia. In the event that such factors are to have a large impact on the economies in the Asia Pacific region in future, this may adversely affect the Group's results of operations and future growth. Moreover, in the event that countries in which the Group operates and has investments are to experience political instability in the future, such events could have a material adverse effect on economic and social conditions in those countries.

The Issuer may be unable to refinance its indebtedness as it falls due

The Issuer has unutilised facilities and funds available for use, but there can be no assurance that it will be able to refinance its indebtedness as it becomes due on commercially reasonable terms or at all. Additionally, a portion of the Issuer's expected cash flow may be required to be dedicated to the payment of interest on its indebtedness, thereby reducing the funds available to the Issuer for use in its general business operations. Such indebtedness may also restrict the Issuer's ability to obtain additional financing for capital expenditure, acquisitions or general corporate purposes and may cause it to be vulnerable in the event of a general economic downturn.

Volatility in global financial markets could restrict the Issuer's access to funding

The Issuer may require additional financing to fund working capital requirements, to support the future growth of its business and/or to refinance existing debt obligations. There can be no assurance that additional financing, either on a short-term or a long-term basis, will be made available or, if available, that such financing will be obtained on terms favourable to the Issuer. Factors that could affect the Issuer's ability 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.

The Issuer is subject to fluctuations in interest rates

The Group manages its interest rate exposure by tracking interest rate movements closely and maintaining a debt portfolio with appropriate fixed and/or floating rates of interests. Where applicable, interest rate derivatives are used to hedge its interest rate exposure for specific underlying debt obligations. However, there can be no assurance that such measures will be adequate to cover the Issuer's exposure to interest rate fluctuations. Any failure to adequately mitigate the risk of interest rate fluctuations could adversely affect the Group's operations or financial condition.

The Group is subject to restrictions in repatriation of funds

The Group may be subject to foreign exchange controls that may adversely affect the ability to repatriate the income or proceeds of sale arising from the Group's investments that are located outside of Singapore. Repatriation of income, capital and the proceeds of sale may require the consent of the relevant governments. Delays in or a refusal to grant any such approval, a revocation or variation of consents previously granted, or the imposition of new restrictions may adversely affect the Group's business, financial condition and results of operations.

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

The outbreak of an infectious disease such as the avian influenza, severe acute respiratory syndrome, Ebola and the Middle East respiratory syndrome in the Asia Pacific region or elsewhere, together with any resulting restrictions on travel and/or imposition of quarantines, could have a negative impact on the economy, and business activities in the Asia Pacific region or elsewhere and could thereby adversely impact the business, financial condition and results of operations of the Group. A future outbreak of an infectious disease or any other serious public health concern in the Asia Pacific region or elsewhere could seriously harm the Group's business.

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

Terrorist activities globally have contributed to the substantial and continuing economic volatility and social unrest. Any developments stemming from these events or other similar events could cause further volatility. The consequences of any of these terrorist attacks or armed conflicts are unpredictable, and the Issuer may not be able to foresee events that could have an adverse effect on its business, financial condition and results of operations.

The Group may not be able to successfully implement its business strategies or manage its growth successfully

In this Information Memorandum, the strategies for the Group's businesses are set out in the section titled "Business and Growth Strategies". In determining its strategies, the Group has made certain assumptions about the future economic performance of the countries and industries in which it operates. The ability of the Group to implement its strategies successfully is dependent on various factors, including but not limited to the ability to manage its existing businesses, to identify suitable opportunities to grow its businesses, to obtain additional financing to fund its operations and support its growth, to retain its key employees and to attract and retain tenants as well as the competition the Group faces in its businesses. In the event that the Group is not able to successfully implement its business strategies, this may adversely affect the financial condition of the Group, which may in turn affect the Issuer's ability to fulfil its payment obligations under the Notes.

The Group may not be able to successfully retain or compete for management agreements and as a result, it may not be able to achieve its planned growth

Part of the Group's management business is based on management contracts for properties which it does not own or in which the Group has a partial effective ownership interest. Termination of the Group's management contracts prior to their expiration, or removal as manager in accordance with the terms of the management contracts or applicable law, or inability to renew management contracts on terms that are commercially reasonable to it could have adverse effects on the business, financial condition, results of operations and prospects of the Group.

The Group believes that its ability to compete for management agreements primarily depends on its brand recognition and reputation, the results of its overall operations and the success of the properties that it currently manages. The terms of any new management agreements that the Group obtains also depend on the terms that its competitors offer for those agreements. If the properties that the Group manages perform less successfully than those of its competitors or if it is unable to offer terms as favourable as those offered by its competitors, the Group may not be able to compete effectively for new management agreements. As a result, it may not be able to achieve its planned growth and the business, financial condition, results of operations and prospects of the Group may be adversely affected.

The Group may encounter difficulties in completing or integrating acquisitions which could adversely affect the Group's operating results

As part of the Group's growth strategy, the Group may make acquisitions of assets and businesses from within the Asia Pacific region or elsewhere from time to time. The Group may face potential challenges to such acquisitions such as:

- facing difficulty in integrating acquired businesses and operations into the Group's structure;
- facing difficulty in maintaining favourable business relationships of acquired operations;
- restructuring and/or terminating unfavourable relationships;
- encountering unforeseen liabilities of the acquisition of businesses;
- failing to realise the benefits from goodwill and intangible assets resulting from the acquisitions which may result in write-downs;
- failing to achieve anticipated business volumes; and
- failing to retain key personnel.

Any of these factors could prevent the Group from realising the anticipated benefits of its acquisitions, including additional revenue, operational synergies and economies of scale. The Group's failure to realise the anticipated benefits of acquisitions could adversely affect its business and operating results.

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

The Group has, and expects in the future to have, interests in joint venture entities and/or funds in connection with the fund management business. Disagreements may occur between the Group, its joint venture partners and/or third party fund investors, as the case may be, regarding the business and operations of the joint ventures and/or funds which may not be resolved amicably. In addition, the Group's joint venture partners and/or third party fund

investors may (a) have economic or business interests or goals that are not aligned with the Group's, (b) take actions contrary to the Group's instructions, requests, policies or objectives, (c) be unable or unwilling to fulfil their obligations, (d) have financial difficulties, or (e) have disputes with the Group as to the scope of their responsibilities and obligations. Additionally, the Group's joint venture partners or third party fund investors may not be able to fulfil their respective contractual obligations (for example, they may default in making payments during future capital calls or capital raising exercises), or may experience a decline in creditworthiness. Although joint venture and private fund agreements generally contain terms that govern the treatment of such events to the detriment of the defaulting party and the Group would generally seek to enforce its rights as enumerated within these legal agreements, the occurrence of any of these events may materially and adversely affect the performance of the Group's joint ventures and/or funds, which in turn may materially and adversely affect its business, financial condition, performance and prospects.

The Issuer is dependent upon contractors and third party service providers for the provision of various services

The Issuer engages contractors for the provision of various services in respect of its business. There is no assurance that the services rendered by the contractors or third party service providers engaged by the Issuer will be satisfactory or match the level of quality required by the Issuer. Moreover, the Issuer's contractors or service providers may experience financial or other difficulties such as procuring foreign labour that may affect their ability to carry out the work for which they were contracted, thus delaying the completion of the Issuer's property development projects. Any interruption or termination in the services or deterioration in the performance of the Issuer's contractors or third party service providers may cause serious disruptions to the business, service levels and reputation of the Issuer, and negatively impact the profitability, financial performance and reputation of the Issuer, and may also result in litigation and damages claims made against the Issuer. If the Issuer's arrangements with any of its contractors or third party service providers are terminated, the Issuer may have to source for alternative contractors and/or service providers and there is no assurance that these engagements will be on terms no less favourable to the Issuer as compared to the Issuer's existing arrangements.

In addition, any disruption to the Group's IT system and/or disaster recovery system may affect its ability to manage its investments in real estate, which may in turn have a material adverse effect on its business, financial condition, results of operations and prospects.

Accounting standards applicable to the Issuer are subject to change in the future

The financial statements of the Issuer may be affected by the introduction of new or revised accounting standards applicable to it, which includes Singapore Financial Reporting Standards, recommended accounting practices issued by the Institute of Singapore Chartered Accountants and the applicable requirements of the Singapore Code on Collective Investment Schemes. The extent and timing of changes in applicable accounting standards are currently unknown and subject to confirmation by relevant authorities. The Issuer has not qualified the effects of any proposed changes and there can be no assurance that any changes will not have a significant impact on the preparation of the Issuer's financial statements or on its financial condition and results of operations.

The Issuer may suffer an uninsured loss

The Issuer maintains insurance policies covering its assets in line with general business practices in the real estate management industry, with policy specifications and insured limits which it believes are adequate. There are, however, certain types of risks (such as wars or acts of God) that are generally not insured because they are either uninsurable or not economically insurable. Should an uninsured loss or a loss in excess of insured limits occur, the Issuer could

be required to pay compensation. Any such loss could adversely affect the business, financial condition and results of operations of the Issuer. 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 the Issuer will be available in the future on commercially reasonable terms or at commercially reasonable rates.

The Group may be exposed to various types of taxes in the economies where it operates

The income and gains derived by the Group, directly or indirectly, from its fund management activities may be exposed to various types of taxes in the economies where it operates. These include but are not limited to income tax, withholding tax, capital gains tax and other taxes specifically imposed. While the Group intends to manage taxation in each of these economies efficiently, there can be no assurance that the desired tax outcome will necessarily be achieved. In addition, the level of taxation in each of these economies is subject to changes in laws and regulations and such changes, if any, may lead to an increase in tax rates or the introduction of new taxes. Furthermore, the Group may from time to time be involved in disputes with tax authorities in relation to, among other things, the amount of taxes levied on it and there can be no guarantee that such disputes will be resolved in a manner favourable to the Group. All these factors may adversely affect the Group's business, financial condition, results of operations and prospects.

The Issuer is not subject to the same disclosure and other requirements as companies listed on the SGX-ST and other stock exchanges

The shares of the Issuer are not listed for quotation on the SGX-ST or on any other stock exchange. As such, the Issuer is not subject to disclosure and other requirements which are typically imposed on companies whose shares are listed for quotation on a stock exchange, for instance, the Issuer may not be required to put in place certain internal policies and procedures that are required of listed companies. Although the Issuer is still subject to various reporting requirements under the SGX-ST Listing Manual (to the extent that the reporting obligations are applicable to the Issuer as an issuer of debt securities) and the Trust Deed, investors may find that there is less available information on the Issuer in the public domain as compared to a company whose shares are listed for quotation on the SGX-ST or on any other stock exchange. Accordingly, such investors may find that their ability to assess the financial condition of the Issuer on a continuous basis may be less optimal as compared to other companies which are listed on the SGX-ST or other stock exchanges.

RISKS RELATING TO THE SECURITIES

The Securities may not be a suitable investment for all investors

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

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Securities, the merits and risks of investing in the relevant Securities and the information contained or incorporated by reference in this Information Memorandum or any applicable amendment or supplement to this Information Memorandum;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact such investment will have on its overall investment portfolio;

- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities, including Securities with principal, distribution or interest payable in one or more currencies, or where the currency for principal, distribution or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Securities and be familiar with the behaviour of any relevant indices and financial markets;
- (v) understand thoroughly the nature of all those risks before making a decision to invest in the Securities; and
- (vi) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Securities are complex financial instruments and such instruments may be purchased as a way to reduce risks or enhance yield with an understood, measured and appropriate addition of risks to their overall portfolios. A potential investor should not invest in Securities which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of such Securities and the impact this investment will have on the potential investor's overall investment portfolio.

Limited liquidity of the Securities issued under the Programme

There can be no assurance regarding the future development of the market for the Securities issued under the Programme, the ability of the Securityholders, or the price at which the Securityholders may be able to sell their Securities.

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

The secondary market generally

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

Fluctuation of the market value of the Securities issued under the Programme

Trading prices of the Securities are influenced by numerous factors, including the operating results, the financial condition and/or the future prospects of the Issuer, its subsidiaries, its associated companies (if any) and/or its joint venture companies (if any), the market for similar securities, political, economic, financial and any other factors that can affect the capital markets, the industry, the Issuer, its subsidiaries, its associated companies (if any) and/or its joint venture companies (if any) generally. Adverse economic developments, in Singapore as well as countries in which the Issuer, its subsidiaries, its associated companies (if any) and/or

its joint venture companies (if any) operate or have business dealings, could have a material adverse effect on the operating results, the financial condition and/or the future prospects of the Issuer, its subsidiaries, its associated companies (if any) and/or its joint venture companies (if any).

Interest rate risk

Securityholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in note and/or perpetual security prices, resulting in a capital loss for the Securityholders. However, the Securityholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, note and/or perpetual security prices may rise. The Securityholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

Inflation risk

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

Securities may be 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

The terms and conditions of the Securities contain provisions for calling meetings of Securityholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Securityholders including Securityholders who did not attend and vote at the relevant meeting and Securityholders who voted in a manner contrary to the majority.

The terms and conditions of the Securities also provide that the Trustee may agree, without the consent of the Securityholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed or any of the other Issue Documents (as defined in the Trust Deed) which in the opinion of the Trustee is of a formal, minor or technical nature, is made to correct a manifest error or to comply with mandatory provisions of Bermuda law or Singapore law or is required by Euroclear and/or Clearstream, Luxembourg and/or CDP and/or any other clearing system in which the Securities may be held, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any of the other Issue Documents which is in the opinion of the Trustee not materially prejudicial to the interests of the Securityholders. Any such modification, authorisation or waiver shall be binding on the Securityholders and the Couponholders and, if requested by the Trustee, such modification, authorisation or waiver shall be notified by or on behalf of the Issuer to the Securityholders as soon as practicable (and in any event within 14 days of such modification, authorisation or waiver) in accordance with the terms and conditions of the Securities.

The Securities may be represented by Global Securities or Global Certificates and holders of a beneficial interest in a Global Security or Global Certificate must rely on the procedures of the relevant Clearing System (as defined below)

Securities issued under the Programme may be represented by one or more Global Securities or Global Certificates. Such Global Securities or Global Certificates will be deposited with or registered in the name of, or in the name of a nominee of, a Common Depositary, or lodged with CDP (each of Euroclear, Clearstream, Luxembourg and CDP and/or such other clearing system, a “**Clearing System**”). Except in the circumstances described in the relevant Global Security or Global Certificate, investors will not be entitled to receive Definitive Securities or Certificates. The relevant Clearing System will maintain records of their accountholders in relation to the Global Securities and Global Certificates. While the Securities are represented by one or more Global Securities or Global Certificates, investors will be able to trade their beneficial interests only through the relevant Clearing System.

While the Securities are represented by one or more Global Securities or Global Certificates, the Issuer will discharge its payment obligations under the Securities by making payments to the Common Depositary or, as the case may be, to CDP, for distribution to their accountholders or, as the case may be, to the Issuing and Paying Agent for distribution to the holders as appearing in the records of the relevant Clearing System. A holder of a beneficial interest in a Global Security or Global Certificate must rely on the procedures of the relevant Clearing System to receive payments under the relevant Securities. The Issuer bears no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Securities or Global Certificates.

Holders of beneficial interests in the Global Securities and Global Certificates will not have a direct right to vote in respect of the relevant Securities. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System to appoint appropriate proxies.

Changes in market interest rates may adversely affect the value of fixed rate Securities

Investment in fixed rate Securities involves the risk that subsequent changes in market interest rates may adversely affect the value of fixed rate Securities.

Exchange rate risks and exchange controls may result in Securityholders receiving less interest, distributions and/or principal than expected

The Issuer will pay principal and interest or distributions on the Securities in the currency specified. This presents certain risks relating to currency conversions if Securityholders’ financial activities are denominated principally in a currency or currency unit (the “**Investor’s Currency**”) other than the currency in which the Securities are denominated. These include the risk that exchange rates may significantly change (including changes due to devaluation of the currency in which the Securities are denominated 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 currency in which the Securities are denominated would decrease (a) the Investor’s Currency equivalent yield on the Securities, (b) the Investor’s Currency equivalent value of the principal payable on the Securities, if any, and (c) the Investor’s Currency equivalent market value of the Securities.

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

The Securities are not secured

The Securities and Coupons relating to them constitute direct, unconditional, unsubordinated (except in the case of Subordinated Perpetual Securities) and unsecured obligations of the Issuer. Accordingly, on a winding-up or insolvency of the Issuer at any time prior to maturity of any Securities, the Securityholders will not have recourse to any specific assets of the Issuer or, as the case may be, its subsidiaries, its associated companies (if any) and/or its joint venture companies (if any) as security for outstanding payment or other obligations under the Securities and/or Coupons owed to the Securityholders. There can be no assurance that there would be sufficient value in the assets of the Issuer, after meeting all claims ranking ahead of the Securities, to discharge all outstanding payment and other obligations under the Securities and/or Coupons, as the case may be, owed to the Securityholders.

The value of the Securities could be adversely affected by a change in Singapore law, Bermuda law or administrative practice

The terms and conditions of the Securities are based on Singapore law and Bermuda law in effect as at the date of this Information Memorandum. No assurance can be given as to the impact of any possible judicial decision or change to Singapore law, Bermuda law or administrative practice after the date of this Information Memorandum and any such change could materially adversely impact the value of any Securities affected by it.

Performance of contractual obligations by the Issuer is dependent on other parties

The ability of the Issuer to make payments in respect of the Securities may depend upon the due performance by the other parties to the Programme Agreement, the Trust Deed and the Agency Agreement of their obligations thereunder including the performance by the Trustee, the Paying Agents, the Transfer Agent, the Registrar 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 Securities, the Issuer may not, in such circumstance, be able to fulfill its obligations to the Securityholders and Couponholders.

Securityholders should be aware that Definitive Securities and Certificates which have a denomination that is not an integral multiple of the minimum Denomination Amount may be illiquid and difficult to trade

In relation to any issue of Securities which have a denomination consisting of a minimum Denomination Amount (as defined in the Conditions) plus a higher integral multiple of another smaller amount, it is possible that the Securities may be traded in amounts in excess of the minimum Denomination Amount that are not integral multiples of such minimum Denomination Amount. In such a case a Securityholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Denomination Amount will not receive a Definitive Security or Certificate in respect of such holding (should definitive Securities or Certificates be printed) and would need to purchase a principal amount of Securities such that it holds an amount equal to one or more Denomination Amounts. If Definitive Securities or Certificates are issued, holders should be aware that Definitive Securities or Certificates which have a denomination that is not an integral multiple of the minimum Denomination Amount may be illiquid and difficult to trade. Definitive Securities will in no circumstances be issued to any person holding Securities in an amount lower than the minimum denomination and such Securities will be cancelled and holders will have no rights against the Issuer (including rights to receive principal or interest or to vote or attend meetings of Securityholders) in respect of such Securities.

The Trustee may request Securityholders to provide an indemnity and/or security and/or pre-funding to its satisfaction

In certain circumstances (including, without limitation, pursuant to Condition 11 of the Notes and Condition 9 of the Perpetual Securities, as the case may be), the Trustee may request Securityholders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes action on behalf of Securityholders. The Trustee shall not be obliged to take any such action if not first indemnified, secured and/or pre-funded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or pre-funding can be a lengthy process and may impact on when such actions can be taken.

The Trustee may not be able to take action, notwithstanding the provision of an indemnity and/or security and/or pre-funding to it, in breach of the terms of the Trust Deed and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Securityholders to take such action directly.

RISKS RELATING TO THE NOTES

Singapore taxation risk

The Notes to be issued from time to time under the Programme during the period from the date of this Information Memorandum to 31 December 2018 are intended to be “qualifying debt securities” for the purposes of the ITA, subject to the fulfilment of certain conditions more particularly described in the section “Singapore Taxation”.

However, there is no assurance that such Notes will continue to enjoy the tax concessions in connection therewith should the relevant tax laws be amended or revoked at any time.

The Notes may be 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 such 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.

RISKS RELATING TO THE PERPETUAL SECURITIES

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

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

If specified in the relevant Pricing Supplement, Perpetual Securityholders may not receive distribution payments if the Issuer elects not to pay all or a part of a distribution under the terms and conditions of the Perpetual Securities

If Optional Payment (as defined in the Pricing Supplement) is specified in the relevant Pricing Supplement, the Issuer may, at its sole discretion and subject to certain conditions, elect not to pay any scheduled distribution on the Perpetual Securities in whole or in part for any period of time. The Issuer is not subject to any limit as to the number of times or the amount with respect to which the Issuer can elect not to pay distributions under the Perpetual Securities. While the Issuer may, at its sole discretion, and at any time, elect to pay an Optional Distribution, being an optional amount equal to the amount of distribution which is unpaid in whole or in part, there is no assurance that the Issuer will do so, and distributions which are not paid in whole or in part may remain unpaid for an indefinite period of time. Any non-payment of a distribution in whole or in part shall not constitute a default for any purpose. Any election by the Issuer not to pay a distribution in whole or in part, will likely have an adverse effect on the market price of the Perpetual Securities. In addition, as a result of the potential non-cumulative distribution feature of the Perpetual Securities and the Issuer's ability to elect not to pay a distribution in whole or in part, the market price of the Perpetual Securities may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such election not to pay and may be more sensitive generally to adverse changes in the Group's financial condition.

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

The Perpetual Securities have no fixed final redemption date. If specified in the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer on certain date(s) specified in the relevant Pricing Supplement at their principal amount (or such other redemption amount stated in the relevant Pricing Supplement) together with all outstanding Arrears of Distribution, Additional Distribution Amounts and distribution accrued to (but excluding) the date fixed for redemption. In addition, if specified in the relevant Pricing Supplement, the Issuer may, at its option, redeem the Perpetual Securities in whole, but not in part, on any Distribution Payment Date, or any time after such Distribution Payment Date, upon the occurrence of certain other events. See the section "Terms and Conditions of the Perpetual Securities — Redemption and Purchase".

The date on which the Issuer elects to redeem the Perpetual Securities may not accord with the preference of individual Perpetual Securityholders. This may be disadvantageous to Perpetual Securityholders in light of market conditions or the individual circumstances of the holder of Perpetual Securities. In addition, an investor may not be able to reinvest the redemption proceeds in comparable securities at an effective distribution rate at the same level as that of the Perpetual Securities.

There are limited remedies for default under the Perpetual Securities

Any scheduled distribution will not be due if the Issuer elects not to pay all or a part of that distribution pursuant to the terms and conditions of the Perpetual Securities. Notwithstanding any of the provisions relating to non-payment defaults, the right to institute winding-up proceedings of the Issuer and/or prove in the winding up of the Issuer and/or claim in the liquidation of the Issuer is limited to circumstances where payment has become due and the Issuer fails to make the payment when due and such failure continues for a period of seven business days. The only remedy against the Issuer available to the Trustee or, where the Trustee has failed to proceed against the Issuer as provided in the terms and conditions of the Perpetual Securities, to any Perpetual Securityholder for recovery of amounts in respect of the Perpetual Securities following the occurrence of a payment default after any sum becomes due in respect of the Perpetual Securities will be instituting proceedings for the winding-up and/or proving in such winding-up and/or claiming in the liquidation of the Issuer in respect of any payment obligations of the Issuer arising from the Perpetual Securities.

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

The Issuer may raise additional capital through the issue of other securities or other means. There is no restriction, contractual or otherwise, on the amount of securities or other liabilities which the Issuer may issue or incur and which rank senior to, or *pari passu* with, the Perpetual Securities. Similarly, subject to compliance with the terms and conditions of the Perpetual Securities, the Issuer may redeem securities that rank junior to, *pari passu* with, or senior to the Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities or the redemption of any such securities may reduce the amount (if any) recoverable by holders of Perpetual Securities on a winding-up of the Issuer, and may increase the likelihood of a deferral of distribution under the Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities or the redemption of any such securities might also have an adverse impact on the trading price of the Perpetual Securities and/or the ability of holders of Perpetual Securities to sell their Perpetual Securities.

The Subordinated Perpetual Securities are subordinated obligations

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

In addition, subject to the limit on the aggregate principal amount of Securities that can be issued under the Programme (which can be amended from time to time by the Issuer without the consent of the Securityholders), there is no restriction on the amount of unsubordinated securities or other liabilities which the Issuer may issue or incur and which rank senior to, or *pari passu* with, the Subordinated Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by holders of Subordinated Perpetual Securities on a winding-up of the Issuer and/or may increase the likelihood of a non-payment of distribution under the Subordinated Perpetual Securities.

Tax treatment of the Perpetual Securities is unclear

It is not clear whether any particular tranche of the Perpetual Securities (the “**Relevant Tranche of the Perpetual Securities**”) will be regarded as debt securities by the IRAS for the purposes of the ITA and whether the tax concessions available for qualifying debt securities under the qualifying debt securities scheme (as set out in the section “Singapore Taxation”) would apply to the Relevant Tranche of the Perpetual Securities.

If the Relevant Tranche of the Perpetual Securities is not regarded as debt securities for the purposes of the ITA and holders thereof are not eligible for the tax concessions under the qualifying debt securities scheme, the tax treatment to holders may differ. Investors and holders of the Relevant Tranche of the Perpetual Securities should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of the Relevant Tranche of the Perpetual Securities.

RISKS RELATED TO RMB-DENOMINATED SECURITIES

Securities denominated in RMB (“**RMB Securities**”) may be issued under the Programme. RMB Securities contain particular risks for potential investors.

RMB is not freely convertible; there are significant restrictions on remittance of RMB into and outside the PRC

RMB is not freely convertible at present. The PRC government continues to regulate conversion between RMB and foreign currencies. In 2011, the PRC government issued certain new rules imposing significant restrictions to the remittance of RMB into and out of the PRC, including, among other things, restrictions on the remittance of RMB into the PRC by way of direct investments or loans. On 25 February 2011, the Ministry of Commerce promulgated the Circular on Issues Concerning Foreign Investment Management under which prior written consent from the Ministry of Commerce (Foreign Investment Department) (“**MOC**”) is required for certain circumstances relating to foreign investors making investments with RMB funds. On 3 June 2011, the People’s Bank of China (the “**PBOC**”) issued the Circular on Clarifications of Relevant Issues Concerning Cross-Border RMB Affairs under which approval from the PBOC is required in addition to approval from the MOC for certain circumstances relating to foreign investors making investments with RMB funds.

As these regulations and rules are relatively new, there is some uncertainty regarding their interpretation and enforcement. Moreover, there is no assurance that the PRC government will continue to gradually liberalise the control over cross-border remittances of RMB funds in the future or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of RMB funds into or out of the PRC. Each investor should consult its own advisors to obtain a more detailed explanation of how the PRC regulations and rules may affect their investment decisions.

There is only limited availability of RMB outside the PRC, which may affect the liquidity of RMB Securities and the Issuer’s ability to source RMB outside the PRC to service such RMB Securities

As a result of the restrictions by the PRC government on cross-border RMB fund flows, the availability of RMB outside of the PRC is limited and subject to certain deposit restrictions.

Although it is expected that the offshore RMB market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC rules and regulations will not be promulgated or amended in the future which will have the effect of restricting availability of RMB offshore. The limited availability of RMB outside the PRC may affect the liquidity of RMB Securities. To the extent the Issuer is required to source RMB in the offshore market to service its RMB Securities, there is no assurance that the Issuer will be able to source such RMB on satisfactory terms, if at all. If RMB is not available in certain circumstances as described under the Notes, the Issuer can make payments under the Notes in a currency other than RMB.

Investment in RMB Securities is subject to exchange rate risks

The value of RMB against the US dollar and other foreign currencies fluctuates and is affected by changes in the PRC and international political and economic conditions and other factors. All payments of interest and principal will be made with respect to RMB Securities in RMB. If an investor measures its investment returns by reference to a currency other than RMB, an investment in the RMB Securities entails foreign exchange related risks, including possible significant changes in the value of RMB relative to the currency by reference to which an investor measures its investment returns. Depreciation of the RMB against such currency

could cause a decrease in the effective yield of the RMB Securities below their stated coupon rates and could result in a loss when the return on the RMB Securities is translated into such currency. In addition, there may be tax consequences for investors as a result of any foreign currency gains resulting from any investment in RMB Securities.

Payments in respect of RMB Securities will only be made to investors in the manner specified in such RMB Securities

All payments to investors in respect of RMB Securities will be made solely (i) when RMB Securities are represented by global certificates, by transfer to a RMB bank account maintained in Singapore in accordance with prevailing CDP rules, or (ii) when RMB Securities are in definitive form, by transfer to a RMB bank account maintained in Singapore in accordance with prevailing rules and regulations. In the event that a holder of RMB Securities fails to maintain a valid RMB account with a bank in Singapore and accordingly, payments are unsuccessful, it is possible that such amounts may be settled in a currency other than RMB. The Issuer cannot be required to make payment by any other means (including in any other currency or in bank notes, by check or draft or by transfer to a bank account in the PRC).

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Notes in definitive form issued in exchange for the Global Security(ies) or the Global Certificate(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. References in the Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme, details of the relevant Series being shown on the face of the relevant Notes and in the relevant Pricing Supplement.

The Notes are constituted by a Trust Deed (as amended, restated or supplemented from time to time, the “**Trust Deed**”) dated 29 June 2017 made between (1) ARA Asset Management Limited (the “**Issuer**”) and (2) DBS Trustee Limited (the “**Trustee**”, which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed), as trustee for the Noteholders (as defined below), and (where applicable) the Notes are issued with the benefit of a deed of covenant (as amended, varied or supplemented from time to time, the “**Deed of Covenant**”) dated 29 June 2017, relating to the Notes executed by the Issuer. These terms and conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Coupons and Talons referred to below. The Issuer has entered into an Agency Agreement (as amended, restated or supplemented from time to time, the “**Agency Agreement**”) dated 29 June 2017 made between (1) the Issuer, (2) DBS Bank Ltd., as issuing and paying agent (in such capacity, the “**Issuing and Paying Agent**” and, together with any other paying agents that may be appointed by the Issuer pursuant to the Agency Agreement, the “**Paying Agents**” and each a “**Paying Agent**”), (3) DBS Bank Ltd., as agent bank (in such capacity, the “**Agent Bank**”), (4) DBS Bank Ltd., as transfer agent (in such capacity, the “**Transfer Agent**” and, together with any other transfer agents that may be appointed, the “**Transfer Agents**”), (5) DBS Bank Ltd., as registrar (in such capacity, the “**Registrar**”), and (6) the Trustee, as trustee for the Noteholders. The Noteholders and the holders (the “**Couponholders**”) of the coupons (the “**Coupons**”) appertaining to the interest-bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “**Talons**”) are bound by and are deemed to have notice of all of the provisions of the Trust Deed, the Agency Agreement and the Deed of Covenant.

Copies of the Trust Deed, the Agency Agreement and the Deed of Covenant are available for inspection at the principal office of the Trustee for the time being and at the specified office of the Issuing and Paying Agent for the time being.

1. Form, Denomination and Title

(a) Form and Denomination

- (i) The Notes of the Series of which this Note forms part (in these Conditions, the “**Notes**”) are issued in bearer form (“**Bearer Notes**”) or in registered form (“**Registered Notes**”), in each case in the Denomination Amount shown hereon. In the case of Registered Notes, such Notes are in the Denomination Amount shown hereon, which may include a minimum denomination and higher integral multiples of a smaller amount, in each case, as specified in the applicable Pricing Supplement

- (ii) This Note is a Fixed Rate Note, a Floating Rate Note, a Variable Rate Note, a Hybrid Note or a Zero Coupon Note (depending upon the Interest Basis shown on its face).
- (iii) Bearer Notes are serially numbered and issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Notes that do not bear interest in which case references to interest (other than in relation to default interest referred to in Condition 7(h)) in these Conditions are not applicable.
- (iv) Registered Notes are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

(b) Title

- (i) Title to the Bearer Notes and the Coupons and, where applicable, Talons appertaining thereto shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**").
- (ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Note, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft, loss or forgery thereof or any writing thereon made by anyone, and no person shall be liable for so treating the holder.
- (iii) For so long as any of the Notes is represented by a Global Security (as defined below) or, as the case may be, a Global Certificate (as defined below), and such Global Security or Global Certificate is held by a common depository for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and/or The Central Depository (Pte) Limited (the "**Depository**"), each person who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg and/or the Depository as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg and/or the Depository as to the principal 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 Issuing and Paying Agent, the other Paying Agents, the Agent Bank, the Registrar, the Transfer Agents, all other agents of the Issuer and the Trustee as the holder of such principal amount of Notes other than with respect to the payment of principal, premium, interest, distribution, redemption, purchase and/or any other amounts in respect of the Notes, for which purpose the bearer of the Global Security or, as the case may be, the person whose name is shown on the Register shall be treated by the Issuer, the Issuing and Paying Agent, the other Paying Agents, the Agent Bank, the Registrar, the Transfer Agents, all other agents of the Issuer and the Trustee as the holder of such Notes in accordance with and subject to the terms of the Global Security or, as the case may be, the Global Certificate (and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly). Notes which are represented by the Global Security or, as the case may be, the Global Certificate and held by Euroclear, Clearstream, Luxembourg and/or the Depository will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg and/or the Depository.

- (iv) In these Conditions, “**Global Security**” means the relevant Temporary Global Security representing each Series or the relevant Permanent Global Security representing each Series, “**Global Certificate**” means the relevant Global Certificate representing each Series that is registered in the name of, or in the name of a nominee of, (1) a common depository for Euroclear and/or Clearstream, Luxembourg, (2) the Depository and/or (3) any other clearing system, “**Noteholder**” means (subject to Condition 1(b)(iii) above) the bearer of any Bearer Note or the person in whose name a Registered Note is registered (as the case may be) and “**holder**” (in relation to a Note, Coupon or Talon) means (subject to Condition 1(b)(iii) above) the bearer of any Bearer Note, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be), “**Series**” means (A) (in relation to Notes other than Variable Rate Notes) a Tranche, together with any further Tranche or Tranches, which are (aa) expressed to be consolidated and forming a single series and (bb) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and (B) (in relation to Variable Rate Notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest and “**Tranche**” means Notes which are identical in all respects (including as to listing).
- (v) Words and expressions defined in the Trust Deed or used in the applicable Pricing Supplement (as defined in the Trust Deed) shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

2. No Exchange of Notes and Transfers of Registered Notes

- (a) **No Exchange of Notes:** Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Denomination Amount may not be exchanged for Bearer Notes of another Denomination Amount. Bearer Notes may not be exchanged for Registered Notes.
- (b) **Transfer of Registered Notes:** Subject to Conditions 2(e) and 2(f) below, one or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer) duly completed and executed and any other evidence as the Registrar or such Transfer Agent may require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Registered Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar, the Transfer Agents and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request. For the avoidance of doubt, a Registered Note may be registered only in the name of, and transferred only to, a named person or persons. No transfer of a Registered Note will be valid unless and until entered on the Register.

- (c) **Exercise of Options or Partial Redemption or Purchase in Respect of Registered Notes:** In the case of an exercise of the Issuer's or a Noteholders' option in respect of, or a partial redemption or purchase of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed or purchased. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.
- (d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Condition 2(b) or 2(c) shall be available for delivery within five business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 6(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or such Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day (other than a Saturday or Sunday or a gazetted public holiday) on which banks are open for business in the place of the specified office of the Registrar or the relevant Transfer Agent (as the case may be).
- (e) **Transfers Free of Charge:** Transfers of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or prefunding as the Registrar or the relevant Transfer Agent may require) in respect of tax or charges.
- (f) **Closed Periods:** No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (ii) after any such Note has been called for redemption or (iii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 7(b)(ii)).

3. Status

The Notes and Coupons of all Series constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.

4. Negative Pledge, Financial Covenants and Non-Disposal Covenant

(a) Negative Pledge

The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, the Issuer will not, and will ensure that none of its subsidiaries (as defined in Condition 10) will, create or permit to subsist, any mortgage, charge, lien, pledge or other form of encumbrance or security interest upon the whole or any part of its present or future undertakings, assets or revenues (including any uncalled capital) to secure any Capital Market Indebtedness, or to secure any guarantee or indemnity in respect of any Capital Market Indebtedness, without at the same time or prior thereto according to the Notes and the Coupons the same security as is created or subsisting to secure any such Capital Market Indebtedness, guarantee or indemnity or such other security as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

For the purposes of this Condition 4(a), “**Capital Market Indebtedness**” means any present or future indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other debt securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market.

(b) Financial Covenants

The Issuer has further covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will ensure that:

- (i) the Adjusted Consolidated Total Equity shall not at any time be less than S\$450,000,000; and
- (ii) the ratio of Consolidated Net Debt to Adjusted Consolidated Total Equity shall not at any time be more than 1.85:1.

For the purposes of these Conditions:

- (1) “**Adjusted Consolidated Total Equity**” means the amount (expressed in Singapore dollars) for the time being, calculated in accordance with Singapore Financial Reporting Standards (“**SFRS**”), equal to the total equity of the Group as shown in the then latest audited or, as the case may be, unaudited consolidated balance sheet of the Group but after:
 - (A) making such adjustments as may be appropriate in respect of any variation in the total equity of the Group set out in the first paragraph above since the date of the latest audited or, as the case may be, unaudited consolidated balance sheet of the Group;
 - (B) excluding any sums set aside for future taxation; and
 - (C) deducting an amount equal to any distribution by any member of the Group out of profits earned prior to the date of the latest audited or, as the case may be, unaudited consolidated balance sheet of the Group and which have been declared or made since that date except so far as provided for in such balance sheet and/or paid or due to be paid to members of the Group,

and so that no amount shall be included or excluded more than once; and

(2) **“Consolidated Net Debt”** means, in relation to the Group, an amount (expressed in Singapore dollars) for the time being, calculated on a consolidated basis, in accordance with SFRS, equal to the aggregate of (and where each aggregate amount falls to be calculated, no amount shall be taken into account more than once in the same calculation):

- (A) bank overdrafts and all other indebtedness in respect of any bank borrowings;
- (B) the principal amount of the Notes or any bonds or debentures of any member of the Group whether issued for cash or a consideration other than cash;
- (C) the liabilities of the Issuer under the Trust Deed or the Notes;
- (D) all other indebtedness whatsoever of the Group for borrowed moneys; and
- (E) any redeemable preference shares issued by any member of the Group and which is regarded by SFRS as debt or other liability of the Group,

but after deducting the amount of all cash and cash equivalents (including fixed deposits) of the Group. For the avoidance of doubt, the term “Consolidated Net Debt” shall exclude any perpetual securities issued by any member of the Group which is not regarded by SFRS as debt or other liability of the Group.

(c) Non-Disposal Covenant

The Issuer has further covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not, and will ensure that none of its Principal Subsidiaries (as defined in Condition 10 below) will, (whether by a single transaction or a number of related or unrelated transactions and whether at one time or over a period of time) sell, transfer, lease out, lend or otherwise dispose of (whether outright, by a sale-and-repurchase or sale-and-leaseback arrangement, or otherwise) all or substantially all of its assets nor of any part of its assets which, either alone or when aggregated with all other disposals required to be taken into account under Clause 7.3 of the Trust Deed, is substantial in relation to the assets of the Group, taken as a whole or the disposal of which (either alone or when so aggregated) is likely to have a material adverse effect on the Issuer. The following disposals shall not be taken into account under Clause 7.3 of the Trust Deed:

- (i) disposals in the ordinary course of business on an arm’s length basis and on normal commercial terms;
- (ii) any disposal in connection with the transfer of any of the Group’s assets to another member of the Group;
- (iii) any disposal in connection with the transfer of any of the Group’s assets to a joint venture company on normal commercial terms and on arm’s length basis;
- (iv) any disposal or sale of assets which are obsolete, excess or no longer required for the purposes of its business, in each case, on an arm’s length basis and on normal commercial terms;
- (v) any payment of cash as consideration for the acquisition of any asset on an arm’s length basis and on normal commercial terms;
- (vi) any exchange for other assets comparable or superior as to type and value;

- (vii) any disposals of financial assets as shown in the most recent audited or, as the case may be, unaudited consolidated financial statements of the Group on an arm's length basis and on normal commercial terms;
- (viii) any disposal of shares, units or other interests in connection with the listing of any real estate investment trust, business trust, property fund or any other entity provided that the Issuer will at all times following such disposal own (whether directly and/or indirectly) in aggregate at least 20 per cent. of the shares, units or, as the case may be, interest of such real estate investment trust, business trust, property fund or entity;
- (ix) any disposal of assets to any real estate investment trust, business trust, property fund or any other entity in connection with a listing of such real estate investment trust, business trust, property fund or entity provided that the Issuer will at all times following such disposal own (directly or indirectly) in aggregate at least 20 per cent. of the shares, units or, as the case may be, interests of such real estate investment trust, business trust, property fund or entity; and
- (x) any disposal approved by the Noteholders by way of an Extraordinary Resolution.

(d) Financial Statements

The Issuer has further covenanted with the Trustee in the Trust Deed that so long as any of the Notes or Coupons remains outstanding it will send to the Trustee (i) as soon as available and in any event within 150 days after the end of each of its financial years (beginning with the current one), a copy in English of its annual report (if any) and consolidated audited accounts as at the end of and for that financial year, together with such financial statements as are required by the laws of Singapore and Bermuda and, save as stated in the notes thereto, were prepared, audited, examined, reported on and approved in accordance with Singapore Financial Reporting Standards and consistently applied and in accordance with the laws of Singapore and its constitutive documents and, (ii) as soon as available and in any event within 90 days after the end of the first six months of each of its financial years (beginning with the current one), a copy in English of its consolidated unaudited accounts as at the end of and for that six-month period.

5. Interest and Other Calculations

(I) Interest on Fixed Rate Notes

(a) Interest Rate and Accrual

Each Fixed Rate Note bears interest on its principal amount outstanding from the Interest Commencement Date (as defined in Condition 5(II)(d)) in respect thereof and as shown on the face of such Note at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of such Note in each year and on the Maturity Date shown on the face of such Note if that date does not fall on an Interest Payment Date.

The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date (and if the Interest Commencement Date is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the Maturity Date falls before the date on which the first payment of interest would otherwise be due. If the Maturity Date is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the Interest Commencement Date, as the case may be) to the Maturity Date will amount to the Final Broken Amount shown on the face of the Note.

Interest will cease to accrue on each Fixed Rate Note from the due date for redemption thereof unless, upon due presentation thereof and subject to the provisions of the Trust Deed, payment of the Redemption Amount shown on the face of the Note is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(I) and the Agency Agreement to the Relevant Date (as defined in Condition 8).

(b) **Calculations**

In the case of a Fixed Rate Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction shown on the face of the Note. The amount of interest payable per Calculation Amount (as defined in Condition 5(II)(d)) for any Fixed Rate Interest Period in respect of any Fixed Rate Note shall be calculated by multiplying the product of the Interest Rate and the Calculation Amount, by the Day Count Fraction shown on the Note and rounding the resultant figure to the nearest sub-unit of the Relevant Currency (with halves rounded up).

In these Conditions, “**Fixed Rate Interest Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

(II) **Interest on Floating Rate Notes or Variable Rate Notes**

(a) **Interest Payment Dates**

Each Floating Rate Note or Variable Rate Note bears interest on its principal amount outstanding from the Interest Commencement Date in respect thereof and as shown on the face of such Note, and such interest will be payable in arrear on each interest payment date (“**Interest Payment Date**”). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period (as defined below) on the face of the Note (the “**Specified Number of Months**”) after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date (and which corresponds numerically with such preceding Interest Payment Date or the Interest Commencement Date, as the case may be), provided that the Agreed Yield (as defined in Condition 5(II)(c)) in respect of any Variable Rate Note for any Interest Period relating to that Variable Rate Note shall be payable on the first day of that Interest Period. If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day (as defined below), then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such 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 (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed

to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

The period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is herein called an “**Interest Period**”.

Interest will cease to accrue on each Floating Rate Note or Variable Rate Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(II) and the Agency Agreement to the Relevant Date.

(b) Rate of Interest - Floating Rate Notes

- (i) Each Floating Rate Note bears interest at a floating rate determined by reference to a Benchmark as stated on the face of such Floating Rate Note, being (in the case of Notes which are denominated in Singapore dollars) SIBOR (in which case such Note will be a SIBOR Note), Swap Rate (in which case such Note will be a Swap Rate Note) or (in the case of Notes which are denominated in US dollars) LIBOR (in which case the Note will be a LIBOR Note) or in any other case (or in the case of Notes which are denominated in a currency other than Singapore dollars or US dollars) such other Benchmark as is set out on the face of such Note.

Such floating rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Note. The “**Spread**” is the percentage rate per annum specified on the face of such Note as being applicable to the rate of interest for such Note. The rate of interest so calculated shall be subject to Condition 5(V)(a) below.

The rate of interest payable in respect of a Floating Rate Note from time to time is referred to in these Conditions as the “**Rate of Interest**”.

- (ii) The Rate of Interest payable from time to time in respect of each Floating Rate Note will be determined by the Agent Bank on the basis of the following provisions:

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

- (A) the Agent Bank will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption “ABS SIBOR FIX - SIBOR AND SWAP OFFER RATES - RATES AT 11:00 HRS SINGAPORE TIME” and under the column headed “SGD SIBOR” (or such other replacement page thereof for the purpose of displaying SIBOR or such other Screen Page as may be provided hereon) and as adjusted by the Spread (if any);

- (B) if on any Interest Determination Date no such rate appears on the Reuters Screen ABSIRFIX01 Page under the column headed “SGD SIBOR” (or such other replacement page as aforesaid) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Agent Bank will request the principal Singapore offices of each of the Reference Banks to provide the Agent Bank 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 principal amount of the relevant Floating Rate Notes. The Rate of Interest for such Interest Period shall be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of such offered quotations and as adjusted by the Spread (if any), as determined by the Agent Bank;
 - (C) if on any Interest Determination Date, two but not all the Reference Banks provide the Agent Bank with such quotations, the Rate of Interest for the relevant Interest Period shall be determined in accordance with (B) above on the basis of the quotations of those Reference Banks providing such quotations; and
 - (D) if on any Interest Determination Date, one only or none of the Reference Banks provides the Agent Bank with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date and as adjusted by the Spread (if any);
- (2) in the case of Floating Rate Notes which are Swap Rate Notes:
- (A) the Agent Bank 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 ABSFIX01 Page under the caption “SGD SOR rates as of 11:00hrs London Time” and 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 and as adjusted by the Spread (if any);
 - (B) if on any Interest Determination Date no such rate is quoted on the Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) or the Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Agent Bank 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 1/16 per cent.)) 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 practice at that time), or by such other relevant authority as may be agreed between the Agent Bank and the Issuer and as adjusted by the Spread (if any); and

- (C) if on any Interest Determination Date the Agent Bank is otherwise unable to determine the Rate of Interest under paragraph (b)(ii)(2)(B) above or if no agreement on the relevant authority is reached between the Agent Bank and the Issuer under paragraph (b)(ii)(2)(B) above, the Rate of Interest shall be determined by the Agent Bank to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the rates quoted by the Singapore offices of the Reference Banks or those of them (being at least two in number) to the Agent Bank at or about 11.00 a.m. (Singapore time) on the first business day following 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 principal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate and as adjusted by the Spread (if any), or if on such day one only or none of the Singapore offices of the Reference Banks provides the Agent Bank with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Singapore offices of the Reference Banks at or about 11.00 a.m. (Singapore time) on such Interest Determination Date and as adjusted by the Spread (if any);
- (3) in the case of Floating Rate Notes which are LIBOR Notes:
- (A) the Agent Bank 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 offered rate for deposits in US dollars for a period equal to the duration of such Interest Period which appears on the Reuters Screen LIBOR1 Page under the caption "ICE BENCHMARK ADMINISTRATION INTEREST SETTLEMENT RATES — RATES AT 11:00 LONDON TIME" and under the column headed "USD" (or such replacement page thereof for the purpose of displaying LIBOR or such other Screen Page as may be provided hereon) and as adjusted by the Spread (if any);
- (B) if on any Interest Determination Date, no such rate appears on the Reuters Screen LIBOR1 Page under the column headed "USD" (or such other replacement page as aforesaid) or if the Reuters Screen LIBOR1 Page (or such other replacement page as aforesaid) is unavailable for any reason:
- (aa) the Agent Bank will request the principal London offices of each of the Reference Banks in the London interbank market to provide the Agent Bank with a quotation of the rate at which deposits in US dollars are offered by it in the London interbank market at approximately the Relevant Time on the Interest Determination Date to prime banks in the London 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 principal amount of the relevant Floating Rate Notes. The Rate of Interest for such Interest

Period shall be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of such offered quotations and as adjusted by the Spread (if any), as determined by the Agent Bank; and

- (bb) if fewer than two such quotations are provided as requested, the Rate of Interest shall be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the rates quoted by major banks in New York City, selected by the Agent Bank, at approximately the Relevant Time on such Interest Determination Date for loans in US dollars to leading banks for a period equal to or comparable to the relevant Interest Period and in an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Period plus the Spread (if any), as determined by the Agent Bank; and
- (4) in the case of Floating Rate Notes which are not SIBOR Notes, Swap Rate Notes or LIBOR Notes or which are denominated in a currency other than Singapore dollars or US dollars, the Agent Bank will determine the Rate of Interest in respect of any Interest Period at or about the Relevant Time on the Interest Determination Date in respect of such Interest Period as follows:
- (A) if the Primary Source (as defined below) for the Floating Rate Notes is a Screen Page (as defined below), subject as provided below, the Rate of Interest in respect of such Interest Period shall be:
 - (aa) the Relevant Rate (as defined below) (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or
 - (bb) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page, in each case appearing on such Screen Page at the Relevant Time on the Interest Determination Date,and as adjusted by the Spread (if any);
 - (B) if the Primary Source for the Floating Rate Notes is Reference Banks or if paragraph (b)(ii)(3)(A)(aa) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Interest Determination Date or if paragraph (b)(ii)(3)(A)(bb) applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre (as defined below) at the Relevant Time on the Interest Determination Date and as adjusted by the Spread (if any); and
 - (C) if paragraph (b)(ii)(3)(B) applies and the Agent Bank determines that fewer than two Reference Banks are so quoting Relevant Rates, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date.

- (iii) On the last day of each Interest Period, the Issuer will pay interest on each Floating Rate Note to which such Interest Period relates at the Rate of Interest for such Interest Period.
- (iv) For the avoidance of doubt, in the event that the Rate of Interest in relation to any Interest Period is less than zero, the Rate of Interest in relation to such Interest Period shall be equal to zero.

(c) **Rate of Interest - Variable Rate Notes**

- (i) Each Variable Rate Note bears interest at a variable rate determined in accordance with the provisions of this paragraph (c). The interest payable in respect of a Variable Rate Note on the first day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the **"Agreed Yield"** and the rate of interest payable in respect of a Variable Rate Note on the last day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the **"Rate of Interest"**.
- (ii) The Agreed Yield or, as the case may be, the Rate of Interest payable from time to time in respect of each Variable Rate Note for each Interest Period shall, subject as referred to in paragraph (c)(iv) below, be determined as follows:
 - (1) not earlier than 9.00 a.m. (Singapore time) on the ninth business day nor later than 3.00 p.m. (Singapore time) on the third business day prior to the commencement of each Interest Period, the Issuer and the Relevant Dealer (as defined below) shall endeavour to agree on the following:
 - (A) whether interest in respect of such Variable Rate Note is to be paid on the first day or the last day of such Interest Period;
 - (B) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the first day of such Interest Period, an Agreed Yield in respect of such Variable Rate Note for such Interest Period (and, in the event of the Issuer and the Relevant Dealer so agreeing on such Agreed Yield, the Interest Amount (as defined below) for such Variable Rate Note for such Interest Period shall be zero); and
 - (C) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the last day of such Interest Period, a Rate of Interest in respect of such Variable Rate Note for such Interest Period (an **"Agreed Rate"**) and, in the event of the Issuer and the Relevant Dealer so agreeing on an Agreed Rate, such Agreed Rate shall be the Rate of Interest for such Variable Rate Note for such Interest Period; and
 - (2) if the Issuer and the Relevant Dealer shall not have agreed either an Agreed Yield or an Agreed Rate in respect of such Variable Rate Note for such Interest Period by 3.00 p.m. (Singapore time) on the third business day prior to the commencement of such Interest Period, or if there shall be no Relevant Dealer during the period for agreement referred to in (1) above, the Rate of Interest for such Variable Rate Note for such Interest Period shall automatically be the rate per annum equal to the Fall Back Rate (as defined below) for such Interest Period.

- (iii) The Issuer has undertaken to the Issuing and Paying Agent and the Agent Bank that it will as soon as possible after the Agreed Yield or, as the case may be, the Agreed Rate in respect of any Variable Rate Note is determined but not later than 10.30 a.m. (Singapore time) on the next following business day:
- (1) notify or cause the Relevant Dealer to notify the Issuing and Paying Agent and the Agent Bank of the Agreed Yield or, as the case may be, the Agreed Rate for such Variable Rate Note for such Interest Period; and
 - (2) cause such Agreed Yield or, as the case may be, Agreed Rate for such Variable Rate Note to be notified by the Issuing and Paying Agent to the relevant Noteholder at its request.
- (iv) For the purposes of sub-paragraph (ii) above, the Rate of Interest for each Interest Period for which there is neither an Agreed Yield nor Agreed Rate in respect of any Variable Rate Note or no Relevant Dealer in respect of the Variable Rate Note(s) shall be the rate (the “**Fall Back Rate**”) determined by reference to a Benchmark as stated on the face of such Variable Rate Note(s), being (in the case of Variable Rate Notes which are denominated in Singapore dollars) SIBOR (in which case such Variable Rate Note(s) will be SIBOR Note(s)), Swap Rate (in which case such Variable Rate Note(s) will be Swap Rate Note(s)) or (in any other case or in the case of Variable Rate Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Variable Rate Note(s).

Such rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Variable Rate Note. The “**Spread**” is the percentage rate per annum specified on the face of such Variable Rate Note as being applicable to the rate of interest for such Variable Rate Note. The rate of interest so calculated shall be subject to Condition 5(V)(a) below.

The Fall Back Rate payable from time to time in respect of each Variable Rate Note will be determined by the Agent Bank in accordance with the provisions of Condition 5(II)(b)(ii) above (*mutatis mutandis*) and references therein to “**Rate of Interest**” shall mean “**Fall Back Rate**”.

- (v) If interest is payable in respect of a Variable Rate Note on the first day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Agreed Yield applicable to such Variable Rate Note for such Interest Period on the first day of such Interest Period. If interest is payable in respect of a Variable Rate Note on the last day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Interest Amount for such Variable Rate Note for such Interest Period on the last day of such Interest Period.
- (vi) For the avoidance of doubt, in the event that the Rate of Interest in relation to any Interest Period is less than zero, the Rate of Interest in relation to such Interest Period shall be equal to zero.

(d) **Definitions**

As used in these Conditions:

“**Benchmark**” means the rate specified as such in the applicable Pricing Supplement;

“business day” means, in respect of each Note, (i) a day (other than a Saturday, Sunday or gazetted public holiday) on which Euroclear, Clearstream, Luxembourg and the Depository, as applicable, are operating, (ii) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in the country of the relevant Paying Agent’s specified office and (iii) (if a payment is to be made on that day):

- (1) (in the case of Notes denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore;
- (2) (in the case of Notes denominated in Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which the TARGET System is open for settlement in Euros;
- (3) (in the case of Notes denominated in Renminbi) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets settle payments in Renminbi and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the Offshore Renminbi Centre; and/or
- (4) (in the case of Notes denominated in a currency other than Singapore dollars, Euros and Renminbi) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore and the principal financial centre for that currency;

“Calculation Amount” means the amount specified as such on the face of any Note, or if no such amount is so specified, the Denomination Amount of such Note as shown on the face thereof;

“Day Count Fraction” means, in respect of the calculation of an amount of interest in accordance with Condition 5:

- (i) if “Actual/Actual ” is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period divided by 365 (or, if any portion of that Fixed Rate Interest Period or, as the case may be, Interest Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Fixed Rate Interest Period or, as the case may be, Interest Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Fixed Rate Interest Period or, as the case may be, Interest Period falling in a non-leap year divided by 365);
- (ii) if “Actual/360” is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period in respect of which payment is being made divided by 360;
- (iii) if “Actual/365 (Fixed)” is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes

during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period in respect of which payment is being made divided by 365; and

- (iv) if “30/360” is specified in the applicable Pricing Supplement, the number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period divided by 30, calculated on a formula basis as follows:

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

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Fixed Rate Interest Period or, as the case may be, the Interest Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Fixed Rate Interest Period or, as the case may be, the Interest Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Fixed Rate Interest Period or, as the case may be, the Interest Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Fixed Rate Interest Period or, as the case may be, the Interest Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Fixed Rate Interest Period or, as the case may be, 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 Fixed Rate Interest Period or, as the case may be, the Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

“**Euro**” means the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time;

“**Interest Commencement Date**” means the Issue Date or such other date as may be specified as the Interest Commencement Date on the face of such Note;

“**Interest Determination Date**” means, in respect of any Interest Period, that number of business days prior thereto as is set out in the applicable Pricing Supplement or on the face of the relevant Note;

“**Issue Date**” means the date specified as such in the applicable Pricing Supplement;

“**Offshore Renminbi Centre**” means the offshore Renminbi centre(s) specified as such in the applicable Pricing Supplement;

“Primary Source” means the Screen Page specified as such in the applicable Pricing Supplement and (in the case of any Screen Page provided by any information service other than the Reuters Monitor Money Rates Service (“Reuters”)) agreed to by the Agent Bank;

“Reference Banks” means the institutions specified as such in the applicable Pricing Supplement or, if none, three major banks selected by the Agent Bank in the interbank market that is most closely connected with the Benchmark;

“Relevant Currency” means the currency in which the Notes are denominated;

“Relevant Dealer” means, in respect of any Variable Rate Note, the Dealer party to the Programme Agreement (as defined in the Trust Deed) specified in the Pricing Supplement with whom the Issuer has concluded or is negotiating an agreement for the issue of such Variable Rate Note pursuant to the Programme Agreement;

“Relevant Financial Centre” means, in the case of interest to be determined on an Interest Determination Date with respect to any Floating Rate Note or Variable Rate Note, the financial centre with which the relevant Benchmark is most closely connected or, if none is so connected, Singapore;

“Relevant Rate” means the Benchmark for a Calculation Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the relevant Interest Period;

“Relevant Time” means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the interbank market in the Relevant Financial Centre;

“Renminbi” means the lawful currency of the People’s Republic of China;

“Screen Page” means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters) as may be specified hereon for the purpose of providing the Benchmark, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Benchmark; and

“TARGET System” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.

(III) Interest on Hybrid Notes

(a) Interest Rate and Accrual

Each Hybrid Note bears interest on its principal amount outstanding from the Interest Commencement Date in respect thereof and as shown on the face of such Note.

(b) Fixed Rate Period

(i) In respect of the Fixed Rate Period shown on the face of such Note, each Hybrid Note bears interest on its principal amount outstanding from the first day of the Fixed Rate Period at the rate per annum (expressed as a percentage) equal to

the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of the Note in each year and on the last day of the Fixed Rate Period if that date does not fall on an Interest Payment Date.

- (ii) The first payment of interest will be made on the Interest Payment Date next following the first day of the Fixed Rate Period (and if the first day of the Fixed Rate Period is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the last day of the Fixed Rate Period falls before the date on which the first payment of interest would otherwise be due. If the last day of the Fixed Rate Period is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the first day of the Fixed Rate Period, as the case may be) to the last day of the Fixed Rate Period will amount to the Final Broken Amount shown on the face of the Note.
- (iii) Where the due date of redemption of any Hybrid Note falls within the Fixed Rate Period, interest will cease to accrue on the Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of principal (or the Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(III) and the Agency Agreement to the Relevant Date.
- (iv) In the case of a Hybrid Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction shown on the face of the Note during the Fixed Rate Period.

(c) **Floating Rate Period**

- (i) In respect of the Floating Rate Period shown on the face of such Note, each Hybrid Note bears interest on its principal amount outstanding from the first day of the Floating Rate Period, and such interest will be payable in arrear on each interest payment date ("**Interest Payment Date**"). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period on the face of the Note (the "**Specified Number of Months**") after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the first day of the Floating Rate Period (and which corresponds numerically with such preceding Interest Payment Date or the first day of the Floating Rate Period, as the case may be). If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day, then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such 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 (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day

unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

- (ii) The period beginning on (and including) the first day of the Floating Rate Period and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is herein called an “**Interest Period**”.
- (iii) Where the due date of redemption of any Hybrid Note falls within the Floating Rate Period, interest will cease to accrue on the Note from the due date for redemption thereof unless, upon due presentation thereof, payment of principal (or the Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(III) and the Agency Agreement to the Relevant Date.
- (iv) The provisions of Condition 5(II)(b) shall apply to each Hybrid Note during the Floating Rate Period as though references therein to Floating Rate Notes are references to Hybrid Notes.

(IV) Zero Coupon Notes

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note (determined in accordance with Condition 6(i)). As from the Maturity Date, the rate of interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as defined in Condition 6(i)).

(V) Calculations

(a) Determination of Rate of Interest and Calculation of Interest Amounts

The Agent Bank will, as soon as practicable after the Relevant Time on each Interest Determination Date determine the Rate of Interest and calculate the amount of interest payable (the “**Interest Amounts**”) in respect of each Calculation Amount of the relevant Floating Rate Notes, Variable Rate Notes or (where applicable) Hybrid Notes for the relevant Interest Period. The amount of interest payable per Calculation Amount in respect of any Floating Rate Note, Variable Rate Note or (where applicable) Hybrid Note shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount, by the Day Count Fraction shown on the Note and rounding the resultant figure to the nearest sub-unit of the Relevant Currency. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Agent Bank shall (in the absence of manifest error) be final and binding upon all parties and the Noteholders.

(b) Notification

The Agent Bank will cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to the Issuing and Paying Agent, the Trustee and the Issuer not later than four business days after the Interest Determination Date. In the case of Floating Rate Notes, if so required by the Issuer, the Agent Bank will also cause the Rate of Interest and the Interest

Amounts for each Interest Period and the relevant Interest Payment Date to be notified to Noteholders in accordance with Condition 16 as soon as possible after their determination. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period by reason of any Interest Payment Date not being a business day. If the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes become due and payable under Condition 10, the Rate of Interest and Interest Amounts payable in respect of the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest and Interest Amounts need to be made unless the Trustee requires otherwise.

(c) Determination or Calculation by the Trustee

If the Agent Bank does not at any material time determine or calculate the Rate of Interest for an Interest Period or any Interest Amount, the Trustee shall do so. In doing so, the Trustee shall apply the provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(d) Agent Bank and Reference Banks

The Issuer will procure that, so long as any Floating Rate Note, Variable Rate Note or Hybrid Note remains outstanding, there shall at all times be three Reference Banks (or such other number as may be required) and, so long as any Floating Rate Note, Variable Rate Note, Hybrid Note or Zero Coupon Note remains outstanding, there shall at all times be an Agent Bank. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Agent Bank is unable or unwilling to act as such or if the Agent Bank fails duly to establish the Rate of Interest for any Interest Period or to calculate the Interest Amounts, the Issuer shall appoint another bank with an office in the Relevant Financial Centre to act as such in its place. The Agent Bank may not resign from its duties without a successor having been appointed as aforesaid.

6. Redemption and Purchase

(a) Final Redemption

Unless previously redeemed or purchased and cancelled as provided below, this Note will be redeemed at its Redemption Amount on the Maturity Date shown on its face (if this Note is shown on its face to be a Fixed Rate Note, Hybrid Note (during the Fixed Rate Period) or Zero Coupon Note) or on the Interest Payment Date falling in the Redemption Month shown on its face (if this Note is shown on its face to be a Floating Rate Note, Variable Rate Note or Hybrid Note (during the Floating Rate Period)).

(b) Purchase at the Option of the Issuer

If so provided hereon, the Issuer shall have the option to purchase all or any of the Fixed Rate Notes, Floating Rate Notes, Variable Rate Notes or Hybrid Notes at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Noteholders shall be bound to sell such Notes to the Issuer accordingly. To exercise such option, the Issuer shall give irrevocable notice to the Noteholders within the Issuer's Purchase Option Period shown on the face hereof. Such Notes may be held, resold or surrendered to the Issuing and Paying Agent for cancellation. The Notes so purchased,

while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

In the case of a purchase of some only of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes or, in the case of Registered Notes, shall specify the principal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be purchased, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on any Stock Exchange (as defined in the Trust Deed), the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any purchase of such Notes.

(c) Purchase at the Option of the Noteholders

- (i) Each Noteholder shall have the option to have all or any of his Variable Rate Notes purchased by the Issuer at their Redemption Amount on any Interest Payment Date and the Issuer will purchase such Variable Rate Notes accordingly. To exercise such option, a Noteholder shall deposit (in the case of Bearer Notes) such Variable Rate Notes to be purchased (together with all unmatured Coupons and unexchanged Talons, if any) with the Issuing and Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Variable Rate Note(s) to be purchased with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent, any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the Noteholders' VRN Purchase Option Period shown on the face hereof. Any Variable Rate Notes or Certificates representing such Variable Rate Notes so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Variable Rate Notes may be held, resold or surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Variable Rate Note (together with all unmatured Coupons and unexchanged Talons, if any) to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Variable Rate Notes to the Registrar. The Variable Rate Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.
- (ii) If so provided hereon, each Noteholder shall have the option to have all or any of his Fixed Rate Notes, Floating Rate Notes or Hybrid Notes purchased by the Issuer at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Issuer will purchase such Notes accordingly. To exercise such option, a Noteholder shall deposit (in the case of Bearer Notes) such Note to be purchased (together with all unmatured Coupons and unexchanged Talons, if any) with the Issuing and Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) to be purchased with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent, any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the Noteholders' Purchase Option Period shown on the face hereof. Any Notes or Certificates so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Notes may be held, resold

or surrendered for cancellation, in the case of Bearer Notes, by surrendering such Note (together with all unmatured Coupons and unexchanged Talons, if any) to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

(d) Redemption at the Option of the Issuer

If so provided hereon, the Issuer may, on giving irrevocable notice to the Noteholders falling within the Issuer's Redemption Option Period shown on the face hereof, redeem all or, if so provided, some of the Notes at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Notes shall be at their Redemption Amount, together with interest accrued to (but excluding) the date fixed for redemption.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes or, in the case of Registered Notes, shall specify the principal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on any Stock Exchange, the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any redemption of such Notes.

(e) Redemption at the Option of the Noteholders

If so provided hereon, the Issuer shall, at the option of the holder of any Note, redeem such Note on the date or dates so provided at its Redemption Amount, together with interest accrued to (but excluding) the date fixed for redemption. To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons, if any) with the Issuing and Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any other Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar, any Transfer Agent or the Issuer (as applicable) within the Noteholders' Redemption Option Period shown on the face hereof. Any Note or Certificate so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(f) Redemption for Taxation Reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (as defined in Condition 6(i) below) (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder)

of Bermuda, Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations 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 paragraph, the Issuer shall deliver to the Issuing and Paying Agent a certificate signed by a duly 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 an opinion of independent legal, tax or any other professional advisers of recognised standing to the effect that the Issuer has or is likely to become obliged to pay such additional amounts as a result of such change, amendment, interpretation or pronouncement.

(g) Redemption at the Option of the Noteholders upon a Change of Control

If so provided hereon, if for any reason, a Change of Control (as defined below) occurs, the Issuer shall, within seven days of such occurrence, give notice to the Noteholders of the occurrence of such event (the “**Change of Control Notice**”) (provided that any failure by the Issuer to give such notice shall not prejudice any Noteholder of such option) and shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount, together with interest accrued to the date fixed for redemption, on the date falling 45 days from the date of the Change of Control Notice (or if such date is not a business day, on the next day which is a business day). To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with any Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any other Transfer Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from any Paying Agent, the Registrar, any other Transfer Agent or the Issuer (as applicable), no later than 30 days from the date of the Change of Control Notice. Any Note or Certificate so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

For the purposes of this Condition 6(g):

(i) “**Change of Control Event**” means:

- (1) Mr Lim Hwee Chiang John, The Straits Trading Company Limited, Cheung Kong Property Limited, Warburg Pincus LLP and/or AVIC Trust, cease to own (whether singly or otherwise) 30 per cent. in aggregate, direct or indirect shareholding interest in the Issuer;
- (2) any Person or Persons (acting together with its related corporations) (provided that such Person or Persons (and their related corporations) do not include any of the Permitted Holders) acquires or acquire Control of the Issuer, if such Person or Persons does not or do not have, and would not be deemed to have Control over the Issuer on the Issue Date; or

(3) the Issuer consolidates with or merges into or sells or transfers all or substantially all of the Issuer's assets to any other Person or Persons (acting together with its related corporations) (provided that such Person or Persons (and their related corporations) do not include any of the Permitted Holders), unless the consolidation, merger, sale or transfer will not result in such other Person or Persons acquiring Control over the Issuer or the successor entity;

(ii) **"Control"** means:

(1) the ownership or control of more than 50 per cent. of the voting rights of the issued share capital of the Issuer; or

(2) the right to appoint and/or remove all or the majority of the members of the Issuer's board of directors, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise;

(iii) **"Immediate Family"** means in relation to a Person, means the Person's spouse or child, adopted child or step-child below the age of 21 years;

(iv) **"Permitted Holders"** means any Person or group of Persons referred to in paragraph (i)(1) above and the Immediate Family of any such Person or group of Persons; and

(v) **"Person"** means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality.

(h) **Purchases**

The Issuer or any of its related corporations may at any time purchase Notes at any price (provided that they are purchased together with all unmatured Coupons and unexchanged Talons, if any, relating to them) in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives.

Notes purchased by the Issuer or any of its related corporations may be surrendered by the purchaser through the Issuer to, in the case of Bearer Notes, the Issuing and Paying Agent and, in the case of Registered Notes, the Registrar for cancellation or may at the option of the Issuer or relevant related corporations be held or resold.

For the purposes of these Conditions, **"directive"** includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislative, minister, ministry, official public or statutory corporation, self-regulating organisation, or stock exchange.

(i) **Early Redemption of Zero Coupon Notes**

(i) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or formula, upon redemption of such Note pursuant to Condition 6(f) or upon it becoming due and payable as provided in Condition 10, shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

- (ii) Subject to the provisions of sub-paragraph (iii) below, the Amortised Face Amount of any such Note shall be the scheduled Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (iii) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(f) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Redemption Amount of such Note on the Maturity Date together with any interest which may accrue in accordance with Condition 5(IV).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown on the face of the Note.

(j) Cancellation

All Notes purchased by or on behalf of the Issuer or any of its related corporations may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons, if any, to the Issuing and Paying Agent at its specified office and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons, if any, attached thereto or surrendered therewith). Any Notes or Certificates so surrendered for cancellation may not be reissued or resold.

7. Payments

(a) Principal and Interest in respect of Bearer Notes

Payments of principal and interest (which shall include the Redemption Amount and the Early Redemption Amount) in respect of Bearer Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Notes or Coupons, as the case may be, at the specified office of any Paying Agent by (i) (in the case of payments in a currency other than Euro or Renminbi) a cheque drawn in the currency in which payment is due on, or, at the option of the holders, by transfer to an account maintained by the payee in that currency with, a bank in the principal financial centre for that currency, (ii) (in the case of payments in Euro) a Euro cheque or, at the option of the holders, by transfer to a Euro account (or any other account to which Euro may be credited or transferred) or (iii) (in the case of payments in Renminbi) transfer to a Renminbi account maintained by or on behalf of the Noteholder with a bank in the Offshore Renminbi Centre which processes payments in Renminbi in the Offshore Renminbi Centre.

(b) Principal and Interest in respect of Registered Notes

- (i) Payments of principal in respect of Registered Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 7(b)(ii).
- (ii) Interest on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the “**Record Date**”). Payments of interest on each Registered Note shall be made by (i) (in the case of payments in a currency other than Euro or Renminbi) a cheque drawn in the currency in which payment is due on and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register, (ii) (in the case of payments in Euro) a Euro cheque or, at the option of the holders, by transfer to a Euro account (or any other account to which Euro may be credited or transferred) or (iii) (in the case of payments in Renminbi) transfer to the Renminbi account maintained by the Noteholder with a bank in the Offshore Renminbi Centre which processes payments in Renminbi in the Offshore Renminbi Centre. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest (other than in the case of payments in Renminbi) may be made by transfer to an account maintained by the holder in that currency with, a bank in the principal financial centre for that currency.

(c) Payments subject to law etc.

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(d) Appointment of Agents

The Issuing and Paying Agent, the Agent Bank, the Transfer Agent and the Registrar initially appointed by the Issuer and their specified offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agents, the Agent Bank, any Transfer Agent and the Registrar and to appoint additional or other Paying Agents, Agent Banks, Transfer Agents and Registrars; provided that it will at all times maintain (i) an Issuing and Paying Agent having a specified office in Singapore, (ii) an Agent Bank having a specified office in Singapore, (iii) a Transfer Agent in relation to Registered Notes, having a specified office in Singapore and (iv) a Registrar in relation to Registered Notes having a specified office in Singapore.

Notice of any such change in appointment or any change of any specified office will be given to the Noteholders within the period specified in the Agency Agreement in accordance with Condition 16.

The Agency Agreement may be amended by the Issuer, the Issuing and Paying Agent, the Agent Bank, the Transfer Agent, the Registrar and the Trustee, without the consent of any Noteholder for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the Issuer, the Issuing and Paying Agent, the Agent Bank, the Transfer Agent, the Registrar and the Trustee may mutually deem necessary or desirable and which does not, in the opinion of the Issuer, the Issuing and Paying Agent, the Agent Bank, the Transfer Agent, the Registrar and the Trustee, adversely affect the interests of the holders of the Notes

or the Coupons. Any such modification shall be binding on the Noteholders and the Couponholders and, if requested by the Trustee, the Issuer shall cause such modification to be notified to the Noteholders and the Couponholders as soon as practicable and in any event within 14 days of the modification in accordance with Condition 16.

(e) Unmatured Coupons and Unexchanged Talons

- (i) Bearer Notes which comprise Fixed Rate Notes and Hybrid Notes should be surrendered for payment together with all unexpired Coupons (if any) relating to such Notes (and, in the case of Hybrid Notes, relating to interest payable during the Fixed Rate Period), failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of three years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).
- (ii) Subject to the provisions of the relevant Pricing Supplement upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Variable Rate Note or Hybrid Note, unexpired Coupons relating to such Note (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period) (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note, any unexpired Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Where any Bearer Note comprising a Floating Rate Note, Variable Rate Note or Hybrid Note is presented for redemption without all unexpired Coupons, and where any Bearer Note is presented for redemption without any unexpired Talon relating to it (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period), redemption of such Note shall be made only against the provision of such indemnity as the Issuer may require.
- (v) If the due date for redemption or repayment of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate.

(f) Talons

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent on any business day in exchange for a further Coupon sheet (but excluding any Coupons that may have become void pursuant to Condition 9) (and if necessary another Talon for a further Coupon sheet).

(g) Non-business days

Subject as provided in the relevant Pricing Supplement or subject as otherwise provided in these Conditions, if any date for the payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day and shall not be entitled to any further interest or other payment in respect of any such delay.

(h) Default Interest

If on or after the due date for payment of any sum in respect of the Notes, payment of all or any part of such sum is not made against due presentation of the Notes or, as the case may be, the Coupons, the Issuer shall pay interest on the amount so unpaid from such due date up to the day of actual receipt by the relevant Noteholders or, as the case may be, Couponholders (as well after as before judgment) at a rate per annum determined by the Issuing and Paying Agent to be equal to two per cent. per annum above (in the case of a Fixed Rate Note or a Hybrid Note during the Fixed Rate Period) the Interest Rate applicable to such Note, (in the case of a Floating Rate Note or a Hybrid Note during the Floating Rate Period) the Rate of Interest applicable to such Note or (in the case of a Variable Rate Note) the variable rate by which the Agreed Yield applicable to such Note is determined or, as the case may be, the Rate of Interest applicable to such Note, or in the case of a Zero Coupon Note, as provided for in the relevant Pricing Supplement. So long as the default continues then such rate shall be re-calculated on the same basis at intervals of such duration as the Issuing and Paying Agent may select, save that the amount of unpaid interest at the above rate accruing during the preceding such period shall be added to the amount in respect of which the Issuer is in default and itself bear interest accordingly. Interest at the rate(s) determined in accordance with this paragraph shall be calculated on the Day Count Fraction shown on the face of the Note and the actual number of days elapsed, shall accrue on a daily basis and shall be immediately due and payable by the Issuer.

8. Taxation

All payments in respect of the Notes and the Coupons by 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 imposed, levied, collected, withheld or assessed by or within Bermuda, Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such 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 (or in respect of which the Certificate representing it is presented) for payment:

- (a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of his being connected with Bermuda or 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 a resident of, or a permanent establishment in, Bermuda or Singapore);
- (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 be able to lawfully avoid (but has not so avoided) such withholding or deduction by making a declaration or any other statement including, but not limited to, a declaration of residence or non-residence, but fails to do so.

As used in these Conditions, “**Relevant Date**” in respect of any Note or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Noteholders in accordance with Condition 16 that, upon further presentation of the Note (or relative Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon presentation, and references to “**principal**” shall be deemed to include any premium payable in respect of the Notes, all Redemption Amounts, Early Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 6, “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 and any reference to “**principal**” and/or “**premium**” and/or “**Redemption Amounts**” and/or “**interest**” and/or “**Early Redemption Amounts**” shall be deemed to include any additional amounts which may be payable under these Conditions.

9. Prescription

Claims against the Issuer for payment in respect of the Notes and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within three years from the appropriate Relevant Date for payment.

10. Events of Default

If any of the following events (“**Events of Default**”) occurs the Trustee at its discretion may (but is not obliged to), and if so requested by holders of at least 25 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall, in each case, subject to it being indemnified and/or secured and/or pre-funded to its satisfaction give notice in writing to the Issuer that the Notes are immediately repayable, whereupon the Redemption Amount of such Notes or (in the case of Zero Coupon Notes) the Early Redemption Amount of such Notes together with accrued interest to the date of payment shall become immediately due and payable:

- (a) the Issuer does not pay any principal or any interest payable by it under any of the Notes at the place at and in the currency in which it is expressed to be payable when due and such default continues for three business days after the due date;
- (b) the Issuer does not perform or comply with any one or more of its obligations (other than the payment obligation of the Issuer referred to in paragraph (a)) under any of the Issue Documents (as defined in the Trust Deed) or any of the Notes and if that default is capable of remedy, it is not remedied within 30 days of the Trustee giving written notice to the Issuer requiring the same to be remedied;
- (c) any representation, warranty or statement by the Issuer in any of the Issue Documents or any of the Notes or in any document delivered under any of the Issue Documents or any of the Notes is not complied with in any respect or is or proves to have been incorrect in any respect when made or deemed repeated and if the circumstances giving rise to such non-compliance or incorrectness is capable of remedy, it is not remedied within 30 days of the Trustee giving written notice to the Issuer requiring the same to be remedied;

- (d) (i) any other indebtedness of the Issuer or any of its Principal Subsidiaries in respect of borrowed moneys is or is declared to be or is capable of being rendered due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (however described) or is not paid when due within any originally applicable grace period in any agreement in relation to that indebtedness; or
- (ii) the Issuer or any of its Principal Subsidiaries fails to pay when properly called upon to do so any guarantee of indebtedness for borrowed moneys,

provided however that no Event of Default will occur under paragraph (d)(i) or (d)(ii) above if the aggregate amount of indebtedness for borrowed moneys or guarantee of indebtedness for borrowed moneys falling within paragraphs (d)(i) and d(ii) above is less than S\$30,000,000 (or its equivalent in any other currency or currencies);

- (e) the Issuer or any of its Principal Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or any material part of (or all or a material part of a particular type of) its indebtedness, begins negotiations or takes any other step with a view to the deferral, rescheduling or other readjustment of all or any material part of (or all or a material part of a particular type of) its indebtedness (or of any part which it will otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors or a moratorium is agreed or declared in respect of or affecting all or any material part of (or all or a material part of a particular type of) the indebtedness of the Issuer or any of its Principal Subsidiaries;
- (f) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or any material part of the property, assets or revenues of the Issuer or any of its Principal Subsidiaries and is not discharged or stayed within 30 days;
- (g) any security on or over the whole or any material part of the property or assets of the Issuer or any of its Principal Subsidiaries becomes enforceable;
- (h) any application is made, meeting is convened, court order is made, resolution is passed or any other procedure or proceeding is taken for the winding-up or dissolution of the Issuer or any of its Principal Subsidiaries or for the appointment of a liquidator (including a provisional liquidator), receiver, manager, judicial manager, trustee, administrator, agent or similar officer of the Issuer or any of its Principal Subsidiaries or over the whole or any material part of the property or assets of the Issuer or any of its Principal Subsidiaries (except for the purpose of a reconstruction, amalgamation, merger, consolidation or reorganisation of the Issuer or such Principal Subsidiary (i) which is made on solvent terms, (ii)(1) (in the case where the Issuer is a party to, or a subject of, the reconstruction, amalgamation, merger, consolidation or reorganisation) where the Issuer is the surviving entity, or (2) (in the case where the Issuer is not a party to, or a subject of, the reconstruction, amalgamation, merger, consolidation or reorganisation) where such Principal Subsidiary is the surviving entity and (iii) which is not reasonably likely to have a material adverse effect (as defined in the Trust Deed) on the Issuer);

- (i) the Issuer or any of its Principal Subsidiaries ceases or threatens to cease to carry on all or any material part of its business or (save as permitted under Clause 7.3 of the Trust Deed) disposes or threatens to dispose of the whole or any part of its property or assets (except for the purpose of a reconstruction, amalgamation, merger, consolidation or reorganisation of the Issuer or such Principal Subsidiary (i) which is made on solvent terms, (ii)(1) (in the case where the Issuer is a party to, or a subject of, the reconstruction, amalgamation, merger, consolidation or reorganisation) where the Issuer is the surviving entity, or (2) (in the case where the Issuer is not a party to, or a subject of, the reconstruction, amalgamation, merger, consolidation or reorganisation) where such Principal Subsidiary is the surviving entity and (iii) which is not reasonably likely to have a material adverse effect on the Issuer);
- (j) any step is taken by any governmental authority with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or any material part of the assets of the Issuer or any of its Principal Subsidiaries;
- (k) any action, condition or thing (including the obtaining of any necessary consent) at any time required to be taken, fulfilled or done for any of the purposes stated in Clause 15.3 of the Trust Deed is not taken, fulfilled or done, or any such consent ceases to be in full force and effect without modification or any condition in or relating to any such consent is not complied with (unless that consent or condition is no longer required or applicable);
- (l) it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Issue Documents or any of the Notes;
- (m) any of the Issue Documents or any of the Notes ceases for any reason (or is claimed by the Issuer not) to be the legal and valid obligations of the Issuer, binding upon it in accordance with its terms;
- (n) any litigation, arbitration or administrative proceeding (other than those of a frivolous or vexatious nature which are discharged within 30 days of its commencement) against the Issuer or any of its Principal Subsidiaries is current or pending (i) to restrain the exercise of any of the rights and/or the performance or enforcement of or compliance with any of the obligations of the Issuer under any of the Issue Documents or any of the Notes or (ii) which has or is likely to have a material adverse effect on the Issuer;
- (o) any event occurs which, under the law of any relevant jurisdiction, has an analogous or equivalent effect to any of the events mentioned in paragraph (e), (f), (g), (h) or (j); and
- (p) the Issuer or any of its Principal Subsidiaries is declared by the Minister of Finance to be a declared company under the provisions of Part IX of the Companies Act, Chapter 50 of Singapore.

In these Conditions,

- (1) **“Principal Subsidiary”** means, at any particular time, any subsidiary of the Issuer (other than ARA Property Management Pte. Ltd. and any subsidiaries of ARA Property Management Ltd.) whose profit after tax, as shown by the accounts of such subsidiary (consolidated in the case of a subsidiary which itself has subsidiaries in accordance with the applicable accounting standards), based upon which the latest audited consolidated accounts of the Group have been prepared, are at least 13 per cent. of the profit after tax of the Group as shown by such audited consolidated accounts, provided that if any such subsidiary (the **“transferor”**) shall at any time transfer the whole or any substantial part of its business, undertaking or assets to another subsidiary or the Issuer (the **“transferee”**) then:
- (A) if the whole of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall thereupon cease to be a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary; and
- (B) if a substantial part only of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary.

Any subsidiary which becomes a Principal Subsidiary by virtue of (A) above or which remains or becomes a Principal Subsidiary by virtue of (B) above shall continue to be a Principal Subsidiary until the earlier of (aa) the date of issue of the first audited consolidated accounts of the Group prepared as at a date later than the date of the relevant transfer which show the profit after tax as shown by the accounts of such subsidiary (consolidated in the case of a subsidiary which itself has subsidiaries in accordance with the applicable accounting standards), based upon which such audited consolidated accounts have been prepared, to be less than 13 per cent. of the profit after tax of the Group, as shown by such audited consolidated accounts or (bb) a report by the Auditors (as defined in the Trust Deed) which shows the profit after tax of such subsidiary to be less than 13 per cent. of the profit after tax of the Group, as shown by such report of the Auditors. A report by the Auditors, who shall also be responsible for producing any pro-forma accounts required for the above purposes, that in their opinion a subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive; and

- (2) **“subsidiary”** has the meaning ascribed to it in Section 5 of the Companies Act, Chapter 50 of Singapore.

11. Enforcement of Rights

At any time after an Event of Default has occurred or after the Notes shall have become due and payable pursuant to Condition 10, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce repayment of the Notes, together with accrued interest, and/or to enforce the provisions of the Issue Documents but it shall not be bound to take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by Noteholders holding not less than 25 per cent. in principal amount of the Notes outstanding and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing.

12. Meeting of Noteholders and Modifications

The Trust Deed contains provisions for convening meetings of Noteholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Notes of such Series (including these Conditions insofar as the same may apply to such Notes) or any of the provisions of the Trust Deed.

The Trustee or the Issuer at any time may, and the Trustee upon the request in writing by Noteholders holding not less than one-tenth of the principal amount of the Notes of any Series for the time being outstanding and after being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses shall, convene a meeting of the Noteholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders of the relevant Series, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (a) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Notes, (c) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates of interest or the basis for calculating any Interest Amount in respect of the Notes, (d) to vary any method of, or basis for, calculating the Redemption Amount or the Early Redemption Amount including the method of calculating the Amortised Face Amount, (e) to vary the currency or currencies of payment or denomination of the Notes, (f) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (g) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, will only be binding if passed at a meeting of the Noteholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed or any of the other Issue Documents which in the opinion of the Trustee is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of Bermuda law or Singapore law or is required by Euroclear, Clearstream, Luxembourg, the Depository and/or any other clearing system in which the Notes may be held and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any of the other Issue Documents which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, if requested by the Trustee, such modification, authorisation or waiver shall be notified by or on behalf of the Issuer to the Noteholders as soon as practicable (and in any event within 14 days of such modification, authorisation or waiver) in accordance with Condition 16.

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, waiver, authorisation or substitution) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders.

These Conditions may be amended, modified, or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

13. Replacement of Notes and Coupons

If a Note, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Coupons or Talons) and of the Registrar (in the case of Certificates), or at the specified office of such other Paying Agent or, as the case may be, Transfer Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders in accordance with Condition 16, on payment by the claimant of the costs, expenses and duties incurred in connection therewith and on such terms as to evidence, undertaking, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Coupon or Talon is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Note, Certificate, Coupon or Talon) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

14. Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding notes of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other notes issued pursuant to this Condition 14 and forming a single series with the Notes. Any further notes forming a single series with the outstanding notes of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of notes of other series where the Trustee so decides.

15. 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 proceedings to enforce repayment unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trust Deed also contains a provision entitling the Trustee or any corporation related to it to enter into business transactions with the Issuer or any of its related corporations or affiliates without accounting to the Noteholders or Couponholders for any profit resulting from such transactions.

Each Noteholder and Couponholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and the Trustee shall not at any time have any responsibility for the same and each Noteholder and Couponholder shall not rely on the Trustee in respect thereof.

16. Notices

Notices to the holders of Registered Notes shall be valid if mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or Sunday) after the date of mailing. Notwithstanding the foregoing, notices to the holders will be valid if (a) published in a leading newspaper in the English language of general circulation in Singapore (it is

expected that such publication will be made in The Business Times) or (b) an announcement is made through the internet-based submission system operated by the SGX-ST (or, if the holders of any Series of Notes can be identified, notices to such holders will also be valid if they are given to each of such holders). Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper or internet-based submission system as provided above. Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders of Bearer Notes in accordance with this Condition 16.

So long as the Notes are represented by a Global Security or a Global Certificate and such Global Security or Global Certificate is held in its entirety on behalf of Euroclear, Clearstream, Luxembourg and/or the Depository, there may be substituted for such publication in such newspapers or announcement through the internet-based submission system operated by the SGX-ST the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg and/or (subject to the agreement of the Depository) the Depository for communication by it to the Noteholders, except that if the Notes are listed on the SGX-ST and the rules of such exchange so require, notice will in any event be published in accordance with the first paragraph above. Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which the said notice was given to Euroclear, Clearstream, Luxembourg and/or the Depository.

Notices to be given by any Noteholder pursuant hereto (including to the Issuer) shall be in writing and given by lodging the same, together 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 Certificates). Whilst the Notes are represented by a Global Security or a Global Certificate, such notice may be given by any Noteholder to the Issuing and Paying Agent or, as the case may be, the Registrar through Euroclear, Clearstream, Luxembourg and/or the Depository in such manner as the Issuing and Paying Agent or, as the case may be, the Registrar and Euroclear, Clearstream, Luxembourg and/or the Depository may approve for this purpose.

Notwithstanding the other provisions of this Condition, in any case where the identities and addresses of all the Noteholders are known to the Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given when received at such addresses.

17. Contracts (Rights of Third Parties) Act

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore .

18. Governing Law and Jurisdiction

- (a) **Governing Law:** The Trust Deed, the Notes, the Coupons and the Talons are governed by, and shall be construed in accordance with, the laws of Singapore save that Clause 8.3.1 to 8.3.3 of the Trust Deed are governed by, and shall be construed in accordance with, the laws of Bermuda.
- (b) **Jurisdiction:** The courts of Singapore are to have non-exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Trust Deed, the Notes, the Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed, the Notes, the Coupons or the Talons may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

- (c) **Process Agent:** The Issuer has irrevocably appointed ARA Management Pte. Ltd. as its authorised agent for service of process in Singapore. If for any reason such agent shall cease to be such agent for service of process, the Issuer shall forthwith appoint a new agent for service of process in Singapore and deliver to the Trustee a copy of the new agent's acceptance of that appointment within 30 days. Nothing in the Trust Deed, the Notes or the Coupons shall affect the right to serve process in any other manner permitted by law.

**Issuing and Paying Agent, Agent Bank,
Registrar and Transfer Agent**

DBS Bank Ltd.
10 Toh Guan Road
#04-11 (Level 4B)
DBS Asia Gateway
Singapore 608838

TERMS AND CONDITIONS OF THE PERPETUAL SECURITIES

*The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Perpetual Securities in definitive form issued in exchange for the Global Security(ies) or the Global Certificate(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Perpetual Securities. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on such Bearer Perpetual Securities or on the Certificates relating to such Registered Perpetual Securities. References in the Conditions to “**Perpetual Securities**” are to the Perpetual Securities of one Series only, not to all Perpetual Securities that may be issued under the Programme, details of the relevant Series being shown on the face of the relevant Perpetual Securities and in the relevant Pricing Supplement.*

The Perpetual Securities are constituted by a Trust Deed (as amended, restated or supplemented from time to time, the “**Trust Deed**”) dated 29 June 2017 made between (1) ARA Asset Management Limited (the “**Issuer**”) and (2) DBS Trustee Limited (the “**Trustee**”, which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed), as trustee for the Perpetual Securityholders (as defined below), and (where applicable) the Perpetual Securities are issued with the benefit of a deed of covenant (as amended, varied or supplemented from time to time, the “**Deed of Covenant**”) dated 29 June 2017, relating to the Perpetual Securities executed by the Issuer. These terms and conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Perpetual Securities, Certificates, Coupons and Talons referred to below. The Issuer has entered into an Agency Agreement (as amended, restated or supplemented from time to time, the “**Agency Agreement**”) dated 29 June 2017 made between (1) the Issuer, (2) DBS Bank Ltd., as issuing and paying agent (in such capacity, the “**Issuing and Paying Agent**” and, together with any other paying agents that may be appointed by the Issuer pursuant to the Agency Agreement, the “**Paying Agents**” and each a “**Paying Agent**”), (3) DBS Bank Ltd., as agent bank (in such capacity, the “**Agent Bank**”), (4) DBS Bank Ltd., as transfer agent (in such capacity, the “**Transfer Agent**” and, together with any other transfer agents that may be appointed, the “**Transfer Agents**”), (5) DBS Bank Ltd., as registrar (in such capacity, the “**Registrar**”), and (6) the Trustee, as trustee for the Perpetual Securityholders. The Perpetual Securityholders and the holders (the “**Couponholders**”) of the distribution coupons (the “**Coupons**”) appertaining to the Perpetual Securities in bearer form and, where applicable in the case of such Perpetual Securities, talons for further Coupons (the “**Talons**”) are bound by and are deemed to have notice of all of the provisions of the Trust Deed, the Agency Agreement and the Deed of Covenant.

Copies of the Trust Deed, the Agency Agreement and the Deed of Covenant are available for inspection at the principal office of the Trustee for the time being and at the specified office of the Issuing and Paying Agent for the time being.

1. Form, Denomination and Title

(a) Form and Denomination

- (i) The Perpetual Securities of the Series of which this Perpetual Security forms part (in these Conditions, the “**Perpetual Securities**”) are issued in bearer form (“**Bearer Perpetual Securities**”) or in registered form (“**Registered Perpetual Securities**”), in each case in the Denomination Amount shown hereon. In the case of Registered

Perpetual Securities, such Perpetual Securities are in the Denomination Amount shown hereon, which may include a minimum denomination and higher integral multiples of a smaller amount, in each case, as specified in the applicable Pricing Supplement.

- (ii) This Perpetual Security is a Fixed Rate Perpetual Security or a Floating Rate Perpetual Security (depending upon the Distribution Basis shown on its face).
- (iii) Bearer Perpetual Securities are serially numbered and issued with Coupons (and, where appropriate, a Talon) attached.
- (iv) Registered Perpetual Securities are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Perpetual Securities by the same holder.

(b) Title

- (i) Title to the Bearer Perpetual Securities and the Coupons and, where applicable, Talons appertaining thereto shall pass by delivery. Title to the Registered Perpetual Securities shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”).
- (ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Perpetual Security, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Perpetual Security, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Perpetual Security, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft, loss or forgery thereof or any writing thereon made by anyone, and no person shall be liable for so treating the holder.
- (iii) For so long as any of the Perpetual Securities is represented by a Global Security (as defined below) or, as the case may be, a Global Certificate (as defined below) and such Global Security or Global Certificate is held by a common depository for Euroclear Bank SA/NV (“**Euroclear**”) and/or Clearstream Banking S.A. (“**Clearstream, Luxembourg**”) and/or The Central Depository (Pte) Limited (the “**Depository**”), each person who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg and/or the Depository as the holder of a particular principal amount of such Perpetual Securities (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg and/or the Depository as to the principal amount of such Perpetual Securities 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 Issuing and Paying Agent, the other Paying Agents, the Agent Bank, the Registrar, the Transfer Agents, all other agents of the Issuer and the Trustee as the holder of such principal amount of Perpetual Securities other than with respect to the payment of principal, premium, interest, distribution, redemption, purchase and/or any other amounts in respect of the Perpetual Securities, for which purpose the bearer of the Global Security or, as the case may be, the person whose name is shown on the Register shall be treated by the Issuer, the Issuing and Paying Agent, the other Paying Agents, the Agent Bank, the Registrar, the Transfer Agents, all other agents of the Issuer and the Trustee as the holder of such Perpetual Securities in accordance with and subject to the terms of the Global Security or, as the case may be, the Global Certificate (and the expressions “**Perpetual Securityholder**” and “**holder of Perpetual Securities**” and related expressions shall be construed accordingly). Perpetual Securities which

are represented by the Global Security or, as the case may be, the Global Certificate and held by Euroclear, Clearstream, Luxembourg and/or the Depository will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg and/or the Depository.

- (iv) In these Conditions, “**Global Security**” means the relevant Temporary Global Security representing each Series or the relevant Permanent Global Security representing each Series, “**Global Certificate**” means the relevant Global Certificate representing each Series that is registered in the name of, or in the name of a nominee of, (1) a common depository for Euroclear and/or Clearstream, Luxembourg, (2) the Depository and/or (3) any other clearing system, “**Perpetual Securityholder**” means (subject to Condition 1(b)(iii) above) the bearer of any Bearer Perpetual Security or the person in whose name a Registered Perpetual Security is registered (as the case may be) and “**holder**” (in relation to a Perpetual Security, Coupon or Talon) means (subject to Condition 1(b)(iii) above) the bearer of any Bearer Perpetual Security, Coupon or Talon or the person in whose name a Registered Perpetual Security is registered (as the case may be), “**Series**” means a Tranche, together with any further Tranche or Tranches, which are (A) expressed to be consolidated and forming a single series and (B) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of distribution and “**Tranche**” means Perpetual Securities which are identical in all respects (including as to listing).
- (v) Words and expressions defined in the Trust Deed or used in the applicable Pricing Supplement (as defined in the Trust Deed) shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

2. No Exchange of Perpetual Securities and Transfers of Registered Perpetual Securities

- (a) **No Exchange of Perpetual Securities:** Registered Perpetual Securities may not be exchanged for Bearer Perpetual Securities. Bearer Perpetual Securities of one Denomination Amount may not be exchanged for Bearer Perpetual Securities of another Denomination Amount. Bearer Perpetual Securities may not be exchanged for Registered Perpetual Securities.
- (b) **Transfer of Registered Perpetual Securities:** Subject to Conditions 2(e) and 2(f) below, one or more Registered Perpetual Securities may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Perpetual Securities to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer) duly completed and executed and any other evidence as the Registrar or such Transfer Agent may require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer. In the case of a transfer of part only of a holding of Registered Perpetual Securities represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Registered Perpetual Securities and entries on the Register will be made subject to the detailed regulations concerning transfers of Registered Perpetual Securities scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar, the Transfer Agents and the Trustee. A copy of the current regulations will

be made available by the Registrar to any Perpetual Securityholder upon request. For the avoidance of doubt, a Registered Perpetual Security may be registered only in the name of, and transferred only to, a named person or persons. No transfer of a Registered Perpetual Security will be valid unless and until entered on the Register.

- (c) **Exercise of Options or Partial Redemption or Purchase in Respect of Registered Perpetual Securities:** In the case of an exercise of an Issuer's option in respect of, or a partial redemption or purchase of, a holding of Registered Perpetual Securities represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed or purchased. In the case of a partial exercise of an option resulting in Registered Perpetual Securities of the same holding having different terms, separate Certificates shall be issued in respect of those Perpetual Securities of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Perpetual Securities to a person who is already a holder of Registered Perpetual Securities, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.
- (d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Condition 2(b) or 2(c) shall be available for delivery within five business days of receipt of the form of transfer and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or such Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which banks are open for business in the place of the specified office of the Registrar or the relevant Transfer Agent (as the case may be).
- (e) **Transfers Free of Charge:** Transfers of Perpetual Securities and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or prefunding as the Registrar or the relevant Transfer Agent may require) in respect of tax or charges.
- (f) **Closed Periods:** No Perpetual Securityholder may require the transfer of a Registered Perpetual Security to be registered (i) during the period of 15 days prior to any date on which the Perpetual Securities may be called for redemption by the Issuer at its option pursuant to Condition 5(b), (ii) after any such Perpetual Security has been called for redemption or (iii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 6(b)(ii)).

3. Status and Delivery of Financial Statements

- (a) **Senior Perpetual Securities:** This Condition 3(a) applies to Perpetual Securities that are Senior Perpetual Securities (being the Perpetual Securities that specify their status as senior in the applicable Pricing Supplement). The Senior Perpetual

Securities and Coupons relating to them constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.

- (b) **Subordinated Perpetual Securities:** This Condition 3(b) applies to Perpetual Securities that are Subordinated Perpetual Securities (being the Perpetual Securities that specify their status as subordinated in the applicable Pricing Supplement).

(i) **Status of Subordinated Perpetual Securities**

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

In these Conditions, “**Parity Obligation**” means any instrument or security (other than shares, which includes but is not limited to redeemable preference shares, preference shares and ordinary shares) issued, entered into or guaranteed by the Issuer (1) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the Subordinated Perpetual Securities and (2) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer and/or, in the case of an instrument or security guaranteed by the Issuer, the issuer thereof.

(ii) **Ranking of claims on winding-up**

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

(iii) **No set-off**

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

sentence, if any of the amounts owing to any holder of Subordinated Perpetual Securities or any Coupons relating to them by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them is discharged by set-off, such holder of Subordinated Perpetual Securities or any Coupons relating to them shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its winding-up or judicial management, the liquidator or, as appropriate, judicial manager of the Issuer) and, until such time as payment is made, shall hold such amount in trust for the Issuer (or the liquidator or, as appropriate, judicial manager of the Issuer) and accordingly any such discharge shall be deemed not to have taken place.

- (c) **Financial Statements:** The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Perpetual Securities or Coupons remains outstanding it will send to the Trustee (i) as soon as available and in any event within 150 days after the end of each of its financial years (beginning with the current one), a copy in English of its annual report (if any) and consolidated audited accounts as at the end of and for that financial year, together with such financial statements as are required by the laws of Singapore and Bermuda and, save as stated in the notes thereto, were prepared, audited, examined, reported on and approved in accordance with Singapore Financial Reporting Standards and consistently applied and in accordance with the laws of Singapore and its constitutive documents and, (ii) as soon as available and in any event within 90 days after the end of the first six months of each of its financial years (beginning with the current one), a copy in English of its consolidated unaudited accounts as at the end of and for that six-month period.

4. Distribution and other Calculations

(I) Distribution on Fixed Rate Perpetual Securities

(a) Distribution Rate and Accrual

Each Fixed Rate Perpetual Security confers a right to receive distribution on its principal amount outstanding from the Distribution Commencement Date (as defined in Condition 4(II)(c)) in respect thereof and as shown on the face of such Perpetual Security at the rate per annum (expressed as a percentage) equal to the Distribution Rate shown on the face of such Perpetual Security payable in arrear on each Distribution Payment Date or Distribution Payment Dates shown on the face of such Perpetual Security in each year.

The first payment of distribution will be made on the Distribution Payment Date next following the Distribution Commencement Date (and if the Distribution Commencement Date is not a Distribution Payment Date, will amount to the Initial Broken Amount shown on the face of such Perpetual Security).

Distribution will cease to accrue on each Fixed Rate Perpetual Security from the due date for redemption unless, upon due presentation thereof and subject to the provisions of the Trust Deed, payment of the Redemption Amount shown on the face of the Perpetual Security is improperly withheld or refused, in which event distribution at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(I) and the Agency Agreement to the Relevant Date (as defined in Condition 7).

(b) **Distribution Rate**

The Distribution Rate applicable to each Fixed Rate Perpetual Security shall be:

- (i) (if no Reset Date is specified in the applicable Pricing Supplement),
 - (1) if no Step-Up Margin is specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security; or
 - (2) if a Step-Up Margin is specified in the applicable Pricing Supplement, (A) for the period from (and including) the Distribution Commencement Date to (but excluding) the Step-Up Date specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security and (B) for the period from (and including) the Step-Up Date specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security plus the Step-Up Margin (as specified in the applicable Pricing Supplement); and
- (ii) (if a Reset Date is specified in the applicable Pricing Supplement), (1) for the period from (and including) the Distribution Commencement Date to (but excluding) the First Reset Date specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security and (2) for the period from (and including) the First Reset Date and each Reset Date (as shown in the applicable Pricing Supplement) falling thereafter to (but excluding) the immediately following Reset Date, the Reset Distribution Rate,

Provided always that if a Redemption upon a Change of Control (as defined in Condition 5(f)) is specified on the face of such Perpetual Security and a Change of Control Margin is specified in the applicable Pricing Supplement, in the event that a Change of Control has occurred, so long as the Issuer has not already redeemed the Perpetual Securities in accordance with Condition 5(f), the then prevailing Distribution Rate shall be increased by the Change of Control Margin with effect from (and including) the Distribution Payment Date immediately following the date on which the Change of Control occurred (or, if the Change of Control occurs on or after the date which is two business days prior to the immediately following Distribution Payment Date, the next following Distribution Payment Date).

For the purposes of these Conditions:

“Comparable Period” means the period specified as such in the applicable Pricing Supplement;

“Comparable US Treasury Issue” means the US Treasury security selected by the Agent Bank as having a maturity of Comparable Period that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities with a maturity of Comparable Period;

“Reset Distribution Rate” means (in the case of Fixed Rate Perpetual Securities which are denominated in Singapore dollars) the Swap Offer Rate, (in the case of Fixed Rate Perpetual Securities which are denominated in US dollars) the US Treasury Rate or such other relevant rate to be specified in the applicable Pricing Supplement with respect to the relevant Reset Date plus the Initial Spread (as specified in the applicable Pricing Supplement) plus the Step-Up Margin (if applicable, as specified in the applicable Pricing Supplement) plus the Change of Control Margin (if applicable, as specified in the applicable Pricing Supplement) as contemplated in the proviso to Condition 4(l)(b)(ii) above; and

“Swap Offer Rate” means:

- (aa) the rate per annum (expressed as a percentage) notified by the Agent Bank to the Issuer equal to the swap offer rate published by the Association of Banks in Singapore (or such other equivalent body) for a period equal to the duration of the Reset Period specified in the applicable Pricing Supplement on the second business day prior to the relevant Reset Date (the **“Reset Determination Date”**);
- (bb) if on the Reset Determination Date, there is no swap offer rate published by the Association of Banks in Singapore (or such other equivalent body), the Agent Bank will determine the swap offer rate for such Reset Period (determined by the Agent Bank to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the rates (excluding the highest and the lowest rates) which appears on the Reuters Screen ABSFIX01 Page under the caption “SGD SOR rates as of 11:00 hrs London Time” and under the column headed “SGD SOR” (or if the Agent Bank determines that such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Agent Bank after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore (or such other equivalent body)) at the close of business on each of the five consecutive business days prior to and ending on the Reset Determination Date);
- (cc) if on the Reset Determination Date, rates are not available on the Reuters Screen ABSFIX01 Page under the caption “SGD SOR rates as of 11:00 hrs London Time” and under the column headed “SGD SOR” (or if the Agent Bank determines that such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Agent Bank after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore (or such other equivalent body)) at the close of business on one or more of the said five consecutive business days, the swap offer rate will be the rate per annum notified by the Agent Bank to the Issuer equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates which are available in such five-consecutive-business-day period or, if only one rate is available in such five-consecutive-business-day period, such rate; and
- (dd) if on the Reset Determination Date, no rate is available on the Reuters Screen ABSFIX01 Page under the caption “SGD SOR rates as of 11:00 hrs London Time” and under the column headed “SGD SOR” (or if the Agent Bank determines that such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Agent Bank after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore (or such other equivalent body)) at the close of business in such five-consecutive-business-day period, the Agent Bank will request the principal Singapore offices of the Reference Banks to provide the Agent Bank with quotation(s) of their swap offer rates for a period equivalent to the duration of the Reset Period at the close of business on the Reset Determination Date. The swap offer rate for such Reset Period shall be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of such offered quotations, as determined by the Agent Bank or, if only one of the Reference Banks provides the Agent Bank with such quotation, such rate quoted by that Reference Bank,

provided that, in each case, in the event the Swap Offer Rate is less than zero, the Swap Offer Rate shall be equal to zero per cent. per annum; and

“US Treasury Rate” means:

- (aa) the rate per annum (expressed as a percentage) notified by the Agent Bank to the Issuer equal to the yield, under the heading that represents the average for the week immediately prior to the Reset Determination Date appearing in the most recently published statistical release designated “H.15(519)” or any successor publication that is published weekly by the Board of Governors of the Federal Reserve System and that establishes yields on actively traded US Treasury securities adjusted to constant maturity under the caption “Treasury constant maturities” for the maturity corresponding to the Comparable US Treasury Issue for a period equal to the duration of the Reset Period specified in the applicable Pricing Supplement; or
- (bb) if during the week preceding the Reset Determination Date, such release (or any successor release) is not published or does not contain such yields, the Agent Bank will determine the rate for such Reset Period (determined by the Agent Bank to be the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable US Treasury Issue, calculated using a price for the Comparable US Treasury Issue (expressed as a percentage of its nominal amount) equal to the price for the Comparable US Treasury Issue for the Reset Determination Date),

provided that, in each case, in the event the US Treasury Rate is less than zero, the US Treasury Rate shall be equal to zero per cent. per annum.

(c) **Calculation of Distribution Rate or Reset Distribution Rate**

The Agent Bank will, on the second business day prior to each Fixed Rate Determination Date, determine the applicable Distribution Rate or Reset Distribution Rate payable in respect of each Perpetual Security. The determination of any rate, the obtaining of each quotation and the making of each determination or calculation by the Agent Bank shall (in the absence of manifest error) be final and binding upon all parties.

In these Conditions, **“Fixed Rate Determination Date”** means each Step-Up Date, each Reset Date or (if a Change of Control has occurred) the Distribution Payment Date immediately following the date on which the Change of Control occurred (or, if the Change of Control occurs on or after the date which is two business days prior to the immediately following Distribution Payment Date, the next following Distribution Payment Date).

(d) **Publication of Relevant Distribution Rate or Reset Distribution Rate**

The Agent Bank will cause (if a Step-Up Margin is specified in the applicable Pricing Supplement) the applicable Distribution Rate, the applicable Reset Distribution Rate or (if a Change of Control has occurred) the applicable Distribution Rate determined by it to be notified to the Issuing and Paying Agent, the Trustee and the Issuer not later than four business days after its determination. The Issuer shall also cause notice of the then applicable Distribution Rate or applicable Reset Distribution Rate to be notified to the Perpetual Securityholders in accordance with Condition 14 as soon as possible after determination thereof. All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 4 by the Agent Bank

will (in the absence of manifest error) be binding on the Issuer, the Issuing and Paying Agent, the other Paying Agents, the Registrar, the Transfer Agent and the Perpetual Securityholders and (except as provided in the Agency Agreement) no liability to any such person will attach to the Agent Bank in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

(e) **Determination or Calculation by Trustee**

If the Agent Bank does not at any material time determine or calculate the applicable Distribution Rate or Reset Distribution Rate, the Trustee shall do so. In doing so, the Trustee shall apply the provisions of this Condition 4(I), with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(f) **Calculations**

In the case of a Fixed Rate Perpetual Security, distribution in respect of a period of less than one year will be calculated on the Day Count Fraction shown on the face of the Perpetual Security. The amount of distribution payable per Calculation Amount (as defined in Condition 4(II)(c)) for any Fixed Rate Distribution Period in respect of any Fixed Rate Perpetual Security shall be calculated by multiplying the product of the Distribution Rate or Reset Distribution Rate and the Calculation Amount, by the Day Count Fraction shown on the Perpetual Security and rounding the resultant figure to the nearest sub-unit of the Relevant Currency (with halves rounded up).

In these Conditions, “**Fixed Rate Distribution Period**” means the period beginning on (and including) the Distribution Commencement Date and ending on (but excluding) the first Distribution Payment Date and each successive period beginning on (and including) a Distribution Payment Date and ending on (but excluding) the next succeeding Distribution Payment Date.

(II) Distribution on Floating Rate Perpetual Securities

(a) **Distribution Payment Dates**

Each Floating Rate Perpetual Security confers a right to receive distribution on its principal amount outstanding from the Distribution Commencement Date in respect thereof and as shown on the face of such Perpetual Security, and such distribution will be payable in arrear on each distribution payment date (“**Distribution Payment Date**”). Such Distribution Payment Date(s) is/are either shown hereon as Specified Distribution Payment Date(s) or, if no Specified Distribution Payment Date(s) is/are shown hereon, Distribution Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Distribution Period (as defined below) on the face of the Perpetual Security (the “**Specified Number of Months**”) after the preceding Distribution Payment Date or, in the case of the first Distribution Payment Date, after the Distribution Commencement Date (and which corresponds numerically with such preceding Distribution Payment Date or the Distribution Commencement Date, as the case may be). If any Distribution Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day (as defined below), then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such 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 (i) such date

shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

The period beginning on (and including) the Distribution Commencement Date and ending on (but excluding) the first Distribution Payment Date and each successive period beginning on (and including) a Distribution Payment Date and ending on (but excluding) the next succeeding Distribution Payment Date is herein called a “**Distribution Period**”.

Distribution will cease to accrue on each Floating Rate Perpetual Security from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount is improperly withheld or refused, in which event distribution will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(II) and the Agency Agreement to the Relevant Date.

(b) **Rate of Distribution — Floating Rate Perpetual Securities**

- (i) Each Floating Rate Perpetual Security confers a right to receive distribution on its principal amount outstanding at a floating rate determined by reference to a Benchmark as stated on the face of such Floating Rate Perpetual Security, being (in the case of Perpetual Securities which are denominated in Singapore dollars) SIBOR (in which case such Perpetual Security will be a SIBOR Perpetual Security), Swap Rate (in which case such Perpetual Security will be a Swap Rate Perpetual Security) or (in the case of Perpetual Securities which are denominated in US dollars) LIBOR (in which case the Perpetual Security will be a LIBOR Perpetual Security) or in any other case (or in the case of Perpetual Securities which are denominated in a currency other than Singapore dollars or US dollars) such other Benchmark as is set out on the face of such Perpetual Security.

Such floating rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Perpetual Security. The “**Spread**” is the percentage rate per annum specified on the face of such Perpetual Security as being applicable to the rate of distribution for such Perpetual Security. The rate of distribution so calculated shall be subject to Condition 4(III)(a) below.

The rate of distribution payable in respect of a Floating Rate Perpetual Security from time to time is referred to in these Conditions as the “**Rate of Distribution**”.

- (ii) The Rate of Distribution payable from time to time in respect of each Floating Rate Perpetual Security will be determined by the Agent Bank on the basis of the following provisions:
- (1) in the case of Floating Rate Perpetual Securities which are SIBOR Perpetual Securities:
- (A) the Agent Bank will, at or about the Relevant Time on the relevant Distribution Determination Date in respect of each Distribution Period, determine the Rate of Distribution for such Distribution Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Distribution Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption “ABS SIBOR FIX — SIBOR AND SWAP OFFER RATES — RATES AT 11:00 HRS SINGAPORE TIME” and under the column headed “SGD SIBOR” (or such other replacement page thereof for the purpose of displaying SIBOR or such other Screen Page as may be provided hereon) and as adjusted by the Spread (if any);
- (B) if on any Distribution Determination Date no such rate appears on the Reuters Screen ABSIRFIX01 Page under the column headed “SGD SIBOR” (or such other replacement page as aforesaid) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Agent Bank will request the principal Singapore offices of each of the Reference Banks to provide the Agent Bank with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Distribution Determination Date to prime banks in the Singapore interbank market for a period equivalent to the duration of such Distribution Period commencing on such Distribution Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Perpetual Securities. The Rate of Distribution for such Distribution Period shall be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of such offered quotations and as adjusted by the Spread (if any), as determined by the Agent Bank;
- (C) if on any Distribution Determination Date two but not all the Reference Banks provide the Agent Bank with such quotations, the Rate of Distribution for the relevant Distribution Period shall be determined in accordance with (B) above on the basis of the quotations of those Reference Banks providing such quotations; and
- (D) if on any Distribution Determination Date one only or none of the Reference Banks provides the Agent Bank with such quotation, the Rate of Distribution for the relevant Distribution Period shall be the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Distribution Determination Date and as adjusted by the Spread (if any);

- (2) in the case of Floating Rate Perpetual Securities which are Swap Rate Perpetual Securities:
- (A) the Agent Bank will, at or about the Relevant Time on the relevant Distribution Determination Date in respect of each Distribution Period, determine the Rate of Distribution for such Distribution Period as being the rate which appears on the Reuters Screen ABSFIX01 Page under the caption "SGD SOR rates as of 11:00hrs London Time" and 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 Distribution Determination Date and for a period equal to the duration of such Distribution Period and as adjusted by the Spread (if any);
 - (B) if on any Distribution Determination Date no such rate is quoted on the Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) or the Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Agent Bank will determine the Rate of Distribution for such Distribution 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 1/16 per cent.)) for a period equal to the duration of such Distribution Period published by a recognised industry body where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as may be agreed between the Agent Bank and the Issuer and as adjusted by the Spread (if any); and
 - (C) if on any Distribution Determination Date the Agent Bank is otherwise unable to determine the Rate of Distribution under paragraph (b)(ii)(2)(B) above or if no agreement on the relevant authority is reached between the Agent Bank and the Issuer under paragraph (b)(ii)(2)(B) above, the Rate of Distribution shall be determined by the Agent Bank to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the rates quoted by the Singapore offices of the Reference Banks or those of them (being at least two in number) to the Agent Bank at or about 11.00 a.m. (Singapore time) on the first business day following such Distribution Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Distribution Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Perpetual Securities for such Distribution Period by whatever means they determine to be most appropriate and as adjusted by the Spread (if any), or if on such day one only or none of the Singapore offices of the Reference Banks provides the Agent Bank with such quotation, the Rate of Distribution for the relevant Distribution Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Singapore offices of the Reference Banks at or about 11.00 a.m. (Singapore time) on such Distribution Determination Date and as adjusted by the Spread (if any);

- (3) in the case of Floating Rate Perpetual Securities which are LIBOR Perpetual Securities:
- (A) the Agent Bank will, at or about the Relevant Time on the relevant Distribution Determination Date in respect of each Distribution Period, determine the Rate of Distribution for such Distribution Period as being the offered rate for deposits in US dollars for a period equal to the duration of such Distribution Period which appears on the Reuters Screen LIBOR1 Page under the caption “ICE BENCHMARK ADMINISTRATION INTEREST SETTLEMENT RATES — RATES AT 11:00 LONDON TIME” and under the column headed “USD” (or such replacement page thereof for the purpose of displaying LIBOR or such other Screen Page as may be provided hereon) and as adjusted by the Spread (if any); and
 - (B) if on any Distribution Determination Date, no such rate appears on the Reuters Screen LIBOR1 Page under the column headed “USD” (or such other replacement page as aforesaid) or if the Reuters Screen LIBOR1 Page (or such other replacement page as aforesaid) is unavailable for any reason:
 - (aa) the Agent Bank will request the principal London offices of each of the Reference Banks in the London interbank market to provide the Agent Bank with a quotation of the rate at which deposits in US dollars are offered by it in the London interbank market at approximately the Relevant Time on the Distribution Determination Date to prime banks in the London interbank market for a period equivalent to the duration of such Distribution Period commencing on such Distribution Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Perpetual Securities. The Rate of Distribution for such Distribution Period shall be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of such offered quotations and as adjusted by the Spread (if any), as determined by the Agent Bank; and
 - (bb) if fewer than two such quotations are provided as requested, the Rate of Distribution shall be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the rates quoted by major banks in New York City, selected by the Agent Bank, at approximately the Relevant Time on such Distribution Determination Date for loans in US dollars to leading banks for a period equal to or comparable to the relevant Distribution Period and in an amount equal to the aggregate principal amount of the relevant Floating Rate Perpetual Securities for such Distribution Period plus the Spread (if any), as determined by the Agent Bank; and

- (4) in the case of Floating Rate Perpetual Securities which are not SIBOR Perpetual Securities, Swap Rate Perpetual Securities or LIBOR Perpetual Securities or which are denominated in a currency other than Singapore dollars or US dollars, the Agent Bank will determine the Rate of Distribution in respect of any Distribution Period at or about the Relevant Time on the Distribution Determination Date in respect of such Distribution Period as follows:
- (A) if the Primary Source (as defined below) for the Floating Rate Perpetual Securities is a Screen Page (as defined below), subject as provided below, the Rate of Distribution in respect of such Distribution Period shall be:
- (aa) the Relevant Rate (as defined below) (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or
- (bb) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page, in each case appearing on such Screen Page at the Relevant Time on the Distribution Determination Date,
- and as adjusted by the Spread (if any);
- (B) if the Primary Source for the Floating Rate Perpetual Securities is Reference Banks or if paragraph (b)(ii)(3)(A)(aa) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Distribution Determination Date or if paragraph (b)(ii)(3)(A)(bb) applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the Distribution Determination Date, subject as provided below, the Rate of Distribution shall be the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre (as defined below) at the Relevant Time on the Distribution Determination Date and as adjusted by the Spread (if any); and
- (C) if paragraph (b)(ii)(3)(B) applies and the Agent Bank determines that fewer than two Reference Banks are so quoting Relevant Rates, the Rate of Distribution shall be the Rate of Distribution determined on the previous Distribution Determination Date.
- (iii) On the last day of each Distribution Period, the Issuer will pay distribution on each Floating Rate Perpetual Security to which such Distribution Period relates at the Rate of Distribution for such Distribution Period.
- (iv) For the avoidance of doubt, in the event that the Rate of Distribution in relation to any Distribution Period is less than zero, the Rate of Distribution in relation to such Distribution Period shall be equal to zero.

(c) **Definitions**

As used in these Conditions:

“Benchmark” means the rate specified as such in the applicable Pricing Supplement;

“business day” means, in respect of each Perpetual Security, (i) a day (other than a Saturday, Sunday or gazetted public holiday) on which Euroclear, Clearstream, Luxembourg and the Depository, as applicable, are operating, (ii) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in the country of the relevant Paying Agent’s specified office and (iii) (if a payment is to be made on that day):

- (1) (in the case of Perpetual Securities denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore;
- (2) (in the case of Perpetual Securities denominated in Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which the TARGET System is open for settlement in Euros;
- (3) (in the case of Perpetual Securities denominated in Renminbi) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets settle payments in Renminbi and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the Offshore Renminbi Centre; and/or
- (4) (in the case of Perpetual Securities denominated in a currency other than Singapore dollars, Euros and Renminbi) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore and the principal financial centre for that currency;

“Calculation Amount” means the amount specified as such on the face of any Perpetual Security or, if no such amount is so specified, the Denomination Amount of such Perpetual Security as shown on the face thereof;

“Day Count Fraction” means, in respect of the calculation of an amount of distribution in accordance with Condition 4:

- (i) if “Actual/Actual” is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Perpetual Securities) the Fixed Rate Distribution Period or (in the case of Floating Rate Perpetual Securities) the Distribution Period divided by 365 (or, if any portion of that Fixed Rate Distribution Period or, as the case may be, Distribution Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Fixed Rate Distribution Period or, as the case may be, Distribution Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Fixed Rate Distribution Period or, as the case may be, Distribution Period falling in a non-leap year divided by 365);
- (ii) if “Actual/360” is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Perpetual Securities) the Fixed Rate Distribution Period or (in the case of Floating Rate Perpetual Securities) the Distribution Period in respect of which payment is being made divided by 360;

- (iii) if “Actual/365 (Fixed)” is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Perpetual Securities) the Fixed Rate Distribution Period or (in the case of Floating Rate Perpetual Securities) the Distribution Period in respect of which payment is being made divided by 365; and
- (iv) if “30/360” is specified in the applicable Pricing Supplement, the number of days in (in the case of Fixed Rate Perpetual Securities) the Fixed Rate Distribution Period or (in the case of Floating Rate Perpetual Securities) the Distribution Period divided by 30, 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 Fixed Rate Distribution Period or, as the case may be, the Distribution Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Fixed Rate Distribution Period or, as the case may be, the Distribution Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Fixed Rate Distribution Period or, as the case may be, the Distribution Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Fixed Rate Distribution Period or, as the case may be, the Distribution Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Fixed Rate Distribution Period or, as the case may be, the Distribution Period, unless such number would be 31, in which case D1 will be 30; and

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

“**Distribution Commencement Date**” means the Issue Date or such other date as may be specified as the Distribution Commencement Date on the face of such Perpetual Security;

“**Distribution Determination Date**” means, in respect of any Distribution Period, that number of business days prior thereto as is set out in the applicable Pricing Supplement or on the face of the relevant Perpetual Security;

“**Euro**” means the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time;

“**Issue Date**” means the date specified as such in the applicable Pricing Supplement;

“**Offshore Renminbi Centre**” means the offshore Renminbi centre(s) specified as such in the applicable Pricing Supplement;

“Primary Source” means the Screen Page specified as such in the applicable Pricing Supplement and (in the case of any Screen Page provided by any information service other than the Reuters Monitor Money Rates Service (“**Reuters**”)) agreed to by the Agent Bank;

“Reference Banks” means the institutions specified as such in the applicable Pricing Supplement or, if none, three major banks selected by the Agent Bank in the interbank market that is most closely connected with the Benchmark;

“Relevant Currency” means the currency in which the Perpetual Securities are denominated;

“Relevant Financial Centre” means, in the case of distribution to be determined on a Distribution Determination Date with respect to any Floating Rate Perpetual Security, the financial centre with which the relevant Benchmark is most closely connected or, if none is so connected, Singapore;

“Relevant Rate” means the Benchmark for a Calculation Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the relevant Distribution Period;

“Relevant Time” means, with respect to any Distribution Determination Date, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the interbank market in the Relevant Financial Centre;

“Renminbi” means the lawful currency of the People’s Republic of China;

“Screen Page” means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters) as may be specified hereon for the purpose of providing the Benchmark, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Benchmark; and

“TARGET System” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.

(III) Calculations

(a) Determination of Rate of Distribution and Calculation of Distribution Amounts

The Agent Bank will, as soon as practicable after the Relevant Time on each Distribution Determination Date determine the Rate of Distribution and calculate the amount of distribution payable (the “**Distribution Amounts**”) in respect of each Calculation Amount of the relevant Floating Rate Perpetual Securities for the relevant Distribution Period. The amount of distribution payable per Calculation Amount in respect of any Floating Rate Perpetual Security shall be calculated by multiplying the product of the Rate of Distribution and the Calculation Amount, by the Day Count Fraction shown on the Perpetual Security and rounding the resultant figure to the nearest sub-unit of the Relevant Currency. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Agent Bank shall (in the absence of manifest error) be final and binding upon all parties and the Perpetual Securityholders.

(b) **Notification**

The Agent Bank will cause the Rate of Distribution and the Distribution Amounts for each Distribution Period and the relevant Distribution Payment Date to be notified to the Issuing and Paying Agent, the Trustee and the Issuer not later than four business days after their determination. In the case of Floating Rate Perpetual Securities, the Issuer will also cause the Rate of Distribution and the Distribution Amounts for each Distribution Period and the relevant Distribution Payment Date to be notified to Perpetual Securityholders in accordance with Condition 14 as soon as possible after their determination. The Distribution Amounts and the Distribution Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Distribution Period by reason of any Distribution Payment Date not being a business day. If an Enforcement Event occurs in relation to the Floating Rate Perpetual Securities, the Rate of Distribution and Distribution Amounts payable in respect of the Floating Rate Perpetual Securities shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Distribution and Distribution Amounts need to be made unless the Trustee requires otherwise.

(c) **Determination or Calculation by the Trustee**

If the Agent Bank does not at any material time determine or calculate the Rate of Distribution for a Distribution Period or any Distribution Amount, the Trustee shall do so. In doing so, the Trustee shall apply the provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(d) **Agent Bank and Reference Banks**

The Issuer will procure that, so long as any Floating Rate Perpetual Security remains outstanding, there shall at all times be three Reference Banks (or such other number as may be required) and, so long as any Floating Rate Perpetual Security remains outstanding, there shall at all times be an Agent Bank. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Agent Bank is unable or unwilling to act as such or if the Agent Bank fails duly to establish the Rate of Distribution for any Distribution Period or to calculate the Distribution Amounts, the Issuer shall appoint another bank with an office in the Relevant Financial Centre to act as such in its place. The Agent Bank may not resign from its duties without a successor having been appointed as aforesaid.

(IV) Distribution Discretion

(a) **Optional Payment**

If Optional Payment is set out hereon, the Issuer may, at its sole discretion, elect not to pay a distribution (or to pay only part of a distribution) which is scheduled to be paid on a Distribution Payment Date by giving notice (an “**Optional Payment Notice**”) to the Trustee and the Issuing and Paying Agent and the Perpetual Securityholders (in accordance with Condition 14) not more than 15 nor less than five business days (or such other notice period as may be specified hereon) prior to a scheduled Distribution Payment Date.

If a Dividend Pusher is set out hereon, the Issuer may not elect to defer any distribution if during the Reference Period (as specified in the applicable Pricing Supplement) ending on the day before that scheduled Distribution Payment Date, either or both of the following (each such event a “**Compulsory Distribution Payment Event**”) have occurred:

- (i) a dividend, distribution or other payment has been declared or paid on or in respect of the Issuer’s Junior Obligations or (except on a *pro rata* basis) any of the Issuer’s Specified Parity Obligations; or
- (ii) any of the Issuer’s Junior Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration or (except on a *pro rata* basis) any of the Issuer’s Specified Parity Obligations has been redeemed, reduced cancelled, bought back or acquired for any consideration,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the Group (as defined in the Trust Deed) or (2) as a result of the exchange or conversion of Specified Parity Obligations of the Issuer for the Junior Obligations of the Issuer and/or as otherwise specified in the applicable Pricing Supplement.

In these Conditions:

- (A) “**Junior Obligation**” means any ordinary shares of the Issuer and any class of the Issuer’s share capital and any other instruments or securities (including without limitation any preference shares, preferred units or subordinated perpetual securities) issued, entered into or guaranteed by the Issuer that ranks or is expressed to rank, whether by its terms or by operation of law, junior to the Perpetual Securities; and
- (B) “**Specified Parity Obligations**” means any instrument or security (other than shares, which includes but is not limited to redeemable preference shares, preference shares and ordinary shares) issued, entered into or guaranteed by the Issuer (aa) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the Perpetual Securities and (bb) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer and/or, in the case of an instrument or security guaranteed by the Issuer, the issuer thereof (which excludes, for the avoidance of doubt (1) any payment due to be made in respect of debt owing to any (i) trade creditors and/or (ii) service providers and professionals, (2) any payment due to be made in respect of credit facilities granted by banks and other financial institutions, and (3) any prepayment or redemption prior to the due date of maturity of any senior instrument or security at the option of the Issuer or, as the case may be, the issuer thereof).

If Dividend Pusher is set out hereon, each Optional Payment Notice shall be accompanied, in the case of the notice to the Trustee and the Issuing and Paying Agent, by a certificate signed by a director or a duly authorised signatory of the Issuer confirming that no Compulsory Distribution Payment Event has occurred during the relevant Reference Period. Any such certificate shall be conclusive evidence that no Compulsory Distribution Payment Event has occurred during the relevant Reference Period and the Trustee and the Issuing and Paying Agent shall be entitled to rely without any obligation to verify the same and without liability to any Perpetual Securityholder or any other person on any Optional Payment Notice or any certificate as aforementioned. Each Optional Payment Notice shall be conclusive and binding on the Perpetual Securityholders.

(b) **No obligation to pay**

If Optional Payment is set out hereon and subject to Conditions 4(IV)(c) and 4(IV)(d), the Issuer shall have no obligation to pay any distribution on any Distribution Payment Date and any failure to pay a distribution in whole or in part shall not constitute a default of the Issuer in respect of the Perpetual Securities.

(c) **Non-Cumulative Deferral and Cumulative Deferral**

- (i) If Non-Cumulative Deferral is set out hereon, any distribution deferred pursuant to this Condition 4(IV) is non-cumulative and will not accrue interest. The Issuer is not under any obligation to pay that or any other distributions that have not been paid in whole or in part. The Issuer may, at its sole discretion, and at any time, elect to pay an amount up to the amount of distribution which is unpaid (“**Optional Distribution**”) (in whole or in part) by complying with the notice requirements in Condition 4(IV)(e). There is no limit on the number of times or the extent of the amount with respect to which the Issuer can elect not to pay distributions pursuant to this Condition 4(IV).

Any partial payment of outstanding Optional Distribution by the Issuer shall be shared by the holders of all outstanding Perpetual Securities and the Coupons related to them on a *pro rata* basis.

- (ii) If Cumulative Deferral is set out hereon, any distribution deferred pursuant to this Condition 4(IV) shall constitute “**Arrears of Distribution**”. The Issuer may, at its sole discretion, elect to (in the circumstances set out in Condition 4(IV)(a)) further defer any Arrears of Distribution by complying with the foregoing notice requirement applicable to any deferral of an accrued distribution. The Issuer is not subject to any limit as to the number of times distributions and Arrears of Distribution can or shall be deferred pursuant to this Condition 4(IV) except that this Condition 4(IV)(c) shall be complied with until all outstanding Arrears of Distribution have been paid in full.
- (iii) If Additional Distribution is set out hereon, each amount of Arrears of Distribution shall bear interest as if it constituted the principal of the Perpetual Securities at the Distribution Rate or Rate of Distribution (as the case may be) and the amount of such interest (the “**Additional Distribution Amount**”) with respect to Arrears of Distribution shall be due and payable pursuant to this Condition 4 and shall be calculated by applying the applicable Distribution Rate or Rate of Distribution (as the case may be) to the amount of the Arrears of Distribution and otherwise *mutatis mutandis* as provided in the foregoing provisions of this Condition 4. The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added, for the purpose of calculating the Additional Distribution Amount accruing thereafter, to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

(d) Restrictions in the case of Non-Payment

If Dividend Stopper is set out hereon and on any Distribution Payment Date, payments of all distributions scheduled to be made on such date are not made in full by reason of this Condition 4(IV), the Issuer shall not and shall procure that none of its subsidiaries shall:

- (i) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on, any of the Issuer's Junior Obligations or (except on a *pro rata* basis) any of the Issuer's Specified Parity Obligations; or
- (ii) redeem, reduce, cancel, buy-back or acquire for any consideration, and will procure that no redemption, reduction, cancellation, buy-back or acquisition for any consideration is made in respect of, any of the Issuer's Junior Obligations or (except on a *pro rata* basis) any of the Issuer's Specified Parity Obligations,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the Group (as defined in the Trust Deed) or (2) as a result of the exchange or conversion of Specified Parity Obligations of the Issuer for the Junior Obligations of the Issuer, unless and until (A) (if Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) the Issuer has satisfied in full all outstanding Arrears of Distribution, (B) (if Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) a redemption of all the outstanding Perpetual Securities has occurred, the next scheduled distribution has been paid in full or an Optional Distribution equal to the amount of a distribution payable with respect to the most recent Distribution Payment Date that was unpaid in full or in part, has been paid in full or (C) the Issuer is permitted to do so by an Extraordinary Resolution (as defined in the Trust Deed) of the Perpetual Securityholders and/or as otherwise specified in the applicable Pricing Supplement.

(e) Satisfaction of Optional Distribution or Arrears of Distribution

The Issuer:

- (i) may, at its sole discretion, satisfy an Optional Distribution or Arrears of Distribution, as the case may be (in whole or in part) at any time by giving notice of such election to the Trustee and the Issuing and Paying Agent and the Perpetual Securityholders (in accordance with Condition 14) not more than 20 nor less than 10 business days (or such other notice period as may be specified hereon) prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Optional Distribution or Arrears of Distribution on the payment date specified in such notice); and
- (ii) in any event shall satisfy any outstanding Arrears of Distribution (in whole but not in part) on the earliest of:
 - (1) the date of redemption of the Perpetual Securities in accordance with the redemption events set out in Condition 5 (as applicable);
 - (2) the next Distribution Payment Date following the occurrence of a breach of Condition 4(IV)(d) or following the occurrence of a Compulsory Distribution Payment Event; and

- (3) the date such amount becomes due under Condition 9 or on a winding-up of the Issuer.

Any partial payment of an Optional Distribution or Arrears of Distribution, as the case may be, by the Issuer shall be shared by the Perpetual Securityholders of all outstanding Perpetual Securities on a *pro-rata* basis.

(f) No default

Notwithstanding any other provision in these Conditions, the non-payment of any distribution payment in accordance with this Condition 4(IV) shall not constitute a default for any purpose (including, without limitation, pursuant to Condition 9) on the part of the Issuer under the Perpetual Securities.

5. Redemption and Purchase

(a) No Fixed Redemption Date

The Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Condition 3 and without prejudice to Condition 9) only have the right (but not the obligation) to redeem or purchase them in accordance with the following provisions of this Condition 5.

(b) Redemption at the Option of the Issuer

If so provided hereon, the Issuer may, on giving irrevocable notice to the Perpetual Securityholders falling within the Issuer's Redemption Option Period shown on the face hereof, redeem all or, if so provided, some of the Perpetual Securities at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Perpetual Securities shall be at their Redemption Amount, together with distribution accrued (including any Arrears of Distribution and any Additional Distribution Amount) to (but excluding) the date fixed for redemption.

All Perpetual Securities in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption of the Perpetual Securities, the notice to Perpetual Securityholders shall also contain the certificate numbers of the Bearer Perpetual Securities or, in the case of Registered Perpetual Securities, shall specify the principal amount of Registered Perpetual Securities drawn and the holder(s) of such Registered Perpetual Securities, to be redeemed, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Perpetual Securities are listed on any Stock Exchange, the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any redemption of such Perpetual Securities.

(c) Redemption for Taxation Reasons

The Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount, (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), if:

- (i) the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that:
 - (1) the Perpetual Securities will not be regarded as “debt securities” for the purposes of Section 43N(4) of the Income Tax Act, Chapter 134 of Singapore (“ITA”) and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations; and/or
 - (2) the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as interest payable by the Issuer for the purposes of the withholding tax exemption on interest for “qualifying debt securities” under the ITA; or
- (ii) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Bermuda, Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and such obligations 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 Perpetual Securities then due.

Prior to the publication of any notice of redemption pursuant to this Condition 5(c), the Issuer shall deliver to the Trustee (i) a certificate signed by a director or a duly 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) in the case of a notice of redemption pursuant to Condition 5(c)(ii), an opinion of independent legal, tax or any other professional advisers of recognised standing to the effect that the Issuer has or is likely to become obliged to pay such additional amounts as a result of such change or amendment to the laws (or any regulations, rulings, or other administrative pronouncements promulgated thereunder) of Bermuda, Singapore, or any political subdivision or any authority thereof or therein having power to tax.

(d) Redemption for Accounting Reasons

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days’ notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, on such Distribution Payment Date or any time prior to or after that Distribution Payment Date, as a result of any changes or amendments to Singapore Financial Reporting Standards issued by the Singapore Accounting Standards Council, as amended from time to time (the “**SFRS**”) or any other accounting standards that may replace SFRS for the purposes of the consolidated financial statements of the Issuer (the “**Relevant Accounting Standard**”), the Perpetual Securities will not or will no longer be recorded as “equity” of the Issuer pursuant to the Relevant Accounting Standard.

Prior to the publication of any notice of redemption pursuant to this Condition 5(d), the Issuer shall deliver to the Trustee:

- (i) a certificate, signed by a director or a duly authorised signatory of the Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances; and
- (ii) an opinion of the Issuer's independent auditors stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to the Relevant Accounting Standard has taken effect or is due to take effect.

Upon the expiry of any such notice as is referred to in this Condition 5(d), the Issuer shall be bound to redeem the Perpetual Securities in accordance with this Condition 5(d).

(e) Redemption for Tax Deductibility

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders and the Trustee (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), if:

- (i) the Issuer satisfies the Trustee immediately before giving such notice that, as a result of:
 - (1) any amendment to, or change in, the laws (or any rules or regulations thereunder) of Bermuda, Singapore or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date;
 - (2) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date; or
 - (3) any generally applicable official interpretation or pronouncement which is issued or announced on or after the Issue Date that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position which is announced before the Issue Date,

distributions (including any Arrears of Distribution and any Additional Distribution Amount) by the Issuer are no longer, or would in the Distribution Period immediately following that Distribution Payment Date no longer be, regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA for Bermuda or Singapore income tax purposes; or

- (ii) the Issuer receives a ruling from the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA.

Prior to the publication of any notice of redemption pursuant to this Condition 5(e), the Issuer shall deliver or procure that there is delivered to the Trustee:

- (A) a certificate, signed by a director or a duly authorised signatory of the Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances; and
- (B) in the case of a notice of redemption pursuant to Condition 5(e)(i), an opinion of the Issuer's independent tax or legal adviser of recognised standing stating that the circumstances referred to above prevail and the date on which the relevant change, amendment, interpretation or pronouncement has taken place or is due to take effect, or, in the case of a notice of redemption pursuant to Condition 5(e)(ii), the ruling from the Comptroller of Income Tax in Singapore (or other relevant authority) to such effect as stated in Condition 5(e)(ii).

Upon the expiry of any such notice as is referred to in this Condition 5(e), the Issuer shall be bound to redeem all the Perpetual Securities in accordance with this Condition 5(e).

(f) Redemption upon a Change of Control

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving no less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount, (together with distribution (including Arrears of Distribution and any Additional Distribution Amount) accrued to the date fixed for redemption), following the occurrence of a Change of Control.

For the purposes of this Condition 5(f):

- (i) **"Change of Control Event"** means:
 - (1) Mr Lim Hwee Chiang John, The Straits Trading Company Limited, Cheung Kong Property Limited, Warburg Pincus LLP and/or AVIC Trust, cease to own (whether singly or otherwise) 30 per cent. in aggregate, direct or indirect shareholding interest in the Issuer;
 - (2) any Person or Persons (acting together with its related corporations) (provided that such Person or Persons (and their related corporations) do not include any of the Permitted Holders) acquires or acquire Control of the Issuer, if such Person or Persons does not or do not have, and would not be deemed to have Control over the Issuer on the Issue Date; or
 - (3) the Issuer consolidates with or merges into or sells or transfers all or substantially all of the Issuer's assets to any other Person or Persons (acting together with its related corporations) (provided that such Person or Persons (and their related corporations) do not include any of the Permitted Holders), unless the consolidation, merger, sale or transfer will not result in such other Person or Persons acquiring Control over the Issuer or the successor entity;

(ii) **“Control”** means:

- (1) the ownership or control of more than 50 per cent. of the voting rights of the issued share capital of the Issuer; or
- (2) the right to appoint and/or remove all or the majority of the members of the Issuer’s board of directors, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise;

(iii) **“Immediate Family”** means in relation to a Person, means the Person’s spouse or child, adopted child or step-child below the age of 21 years;

(iv) **“Permitted Holders”** means any Person or group of Persons referred to in paragraph (i)(1) above and the Immediate Family of any such Person or group of Persons; and

(v) **“Person”** means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality.

Prior to the publication of any notice of redemption pursuant to this Condition 5(f), the Issuer shall deliver to the Trustee a certificate, signed by a director or a duly authorised officer of the Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances.

Upon the expiry of any such notice as is referred to in this Condition 5(f), the Issuer shall be bound to redeem the Perpetual Securities in accordance with this Condition 5(f).

(g) Redemption in the case of Minimal Outstanding Amount

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days’ notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, immediately before giving such notice, the aggregate principal amount of the Perpetual Securities outstanding is less than 10 per cent. of the aggregate principal amount originally issued.

Upon expiry of any such notice as is referred to in this Condition 5(g), the Issuer shall be bound to redeem all the Perpetual Securities in accordance with this Condition 5(g).

(h) Purchases

The Issuer or any of its related corporations may at any time purchase Perpetual Securities at any price (provided that they are purchased together with all unmatured Coupons and unexchanged Talons relating to them) in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives.

Perpetual Securities purchased by the Issuer or any of its related corporations may be surrendered by the purchaser through the Issuer to, in the case of Bearer Perpetual Securities, the Issuing and Paying Agent and, in the case of Registered Perpetual Securities, the Registrar for cancellation or may at the option of the Issuer or relevant related corporations be held or resold.

For the purposes of these Conditions, “**directive**” includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislative, minister, ministry, official public or statutory corporation, self-regulating organisation, or stock exchange.

(i) Cancellation

All Perpetual Securities purchased by or on behalf of the Issuer or any of its related corporations may be surrendered for cancellation, in the case of Bearer Perpetual Securities, by surrendering each such Perpetual Security together with all unmatured Coupons and all unexchanged Talons to the Issuing and Paying Agent at its specified office and, in the case of Registered Perpetual Securities, by surrendering the Certificate representing such Perpetual Securities to the Registrar and, in each case, if so surrendered, shall, together with all Perpetual Securities redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons, if any, attached thereto or surrendered therewith). Any Perpetual Securities or Certificates so surrendered for cancellation may not be reissued or resold.

6. Payments

(a) Principal and Distribution in respect of Bearer Perpetual Securities

Payments of principal and distribution in respect of Bearer Perpetual Securities will, subject as mentioned below, be made against presentation and surrender of the relevant Perpetual Securities or Coupons, as the case may be, at the specified office of any Paying Agent by (i) in the case of payments in a currency other than Euro or Renminbi a cheque drawn in the currency in which payment is due on, or, at the option of the payee, by transfer to an account maintained by the holder in that currency with, a bank in the principal financial centre for that currency, (ii) (in the case of payments in Euro) a Euro cheque or, at the option of the holders, by transfer to a Euro account (or any other account to which Euro may be credited or transferred) or (iii) (in the case of payments in Renminbi) transfer to a Renminbi account maintained by or on behalf of the Perpetual Securityholder with a bank in the Offshore Renminbi Centre which processes payments in Renminbi in the Offshore Renminbi Centre.

(b) Principal and Distribution in respect of Registered Perpetual Securities

- (i) Payments of principal in respect of Registered Perpetual Securities will, subject as mentioned below, be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 6(b)(ii).
- (ii) Distribution on Registered Perpetual Securities shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the “**Record Date**”). Payments of distribution on each Registered Perpetual Security shall be made by (i) (in the case of payments in a currency other than Euro or Renminbi) a cheque drawn in the currency in which payment is due on and mailed to the holder (or to the first named of joint holders) of such Perpetual Security at its address appearing in the Register, (ii) (in the case of payments in Euro) a Euro cheque or, at the option of the holders, by transfer to a Euro account

(or any other account to which Euro may be credited or transferred) or (iii) (in the case of payments in Renminbi) transfer to the Renminbi account maintained by the Perpetual Securityholder with a bank in the Offshore Renminbi Centre which processes payments in Renminbi in the Offshore Renminbi Centre. Upon application by the holder to the specified office of the Registrar or any other Transfer Agent before the Record Date, such payment of distribution (other than in the case of payments in Euro or Renminbi) may be made by transfer to an account maintained by the holder in that currency with, a bank in the principal financial centre for that currency.

(c) Payments subject to law etc.

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Perpetual Securityholders or Couponholders in respect of such payments.

(d) Appointment of Agents

The Issuing and Paying Agent, the Agent Bank, the Transfer Agent and the Registrar initially appointed by the Issuer and their specified offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agents, the Agent Bank, any Transfer Agent and the Registrar and to appoint additional or other Paying Agents, Agent Banks, Transfer Agents and Registrars, provided that it will at all times maintain (i) an Issuing and Paying Agent having a specified office in Singapore, (ii) an Agent Bank having a specified office in Singapore, (iii) a Transfer Agent in relation to Registered Perpetual Securities, having a specified office in Singapore and (iv) a Registrar in relation to Registered Perpetual Securities, having a specified office in Singapore.

Notice of any such change in appointment or any change of any specified office will be given to the Perpetual Securityholders within the period specified in the Agency Agreement in accordance with Condition 14.

The Agency Agreement may be amended by the Issuer, the Issuing and Paying Agent, the Agent Bank, the Transfer Agent, the Registrar and the Trustee, without the consent of any Perpetual Securityholder, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the Issuer, the Issuing and Paying Agent, the Agent Bank, the Transfer Agent, the Registrar and the Trustee may mutually deem necessary or desirable and which does not, in the opinion of the Issuer, the Issuing and Paying Agent, the Agent Bank, the Transfer Agent, the Registrar and the Trustee, adversely affect the interests of the holders of the Perpetual Securities or the Coupons. Any such modification shall be binding on the Perpetual Securityholders and the Couponholders and, if requested by the Trustee, the Issuer shall cause such modification to be notified to the Perpetual Securityholders and the Couponholders as soon as practicable and in any event within 14 days of the modification in accordance with Condition 14.

(e) Unmatured Coupons and unexchanged Talons

- (i) Bearer Perpetual Securities which comprise Fixed Rate Perpetual Securities should be surrendered for payment together with all unexpired Coupons (if any) relating to such Perpetual Securities, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of three years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).
- (ii) Subject to the provisions of the relevant Pricing Supplement, upon the due date for redemption of any Bearer Perpetual Security comprising a Floating Rate Perpetual Security, unexpired Coupons relating to such Perpetual Security (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Perpetual Security, any unexpired Talon relating to such Perpetual Security (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Where any Bearer Perpetual Security comprising a Floating Rate Perpetual Security is presented for redemption without all unexpired Coupons, and where any Bearer Perpetual Security is presented for redemption without any unexpired Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (v) If the due date for redemption or repayment of any Perpetual Security is not a due date for payment of distribution, distribution accrued from the preceding due date for payment of distribution or the Distribution Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Perpetual Security or Certificate.

(f) Talons

On or after the Distribution Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Perpetual Security, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent on any business day in exchange for a further Coupon sheet (but excluding any Coupons that may have become void pursuant to Condition 8)(and if necessary another Talon for a further Coupon sheet).

(g) Non-business days

Subject as provided in the relevant Pricing Supplement or subject as otherwise provided in these Conditions, if any date for the payment in respect of any Perpetual Security or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day and shall not be entitled to any further distribution or other payment in respect of any such delay.

7. Taxation

All payments in respect of the Perpetual Securities and the Coupons by 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 imposed, levied, collected, withheld or assessed by or within Bermuda, Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Perpetual Securityholders 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 Perpetual Security or Coupon presented (or in respect of which the Certificate representing it is presented) for payment:

- (a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of his being connected with Bermuda or Singapore otherwise than by reason only of the holding of such Perpetual Security or Coupon or the receipt of any sums due in respect of such Perpetual Security or Coupon (including, without limitation, the holder being a resident of, or a permanent establishment in, Bermuda or Singapore);
- (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 be able to lawfully avoid (but has not so avoided) such withholding or deduction by making a declaration or any other statement including, but not limited to, a declaration of residence or non-residence, but fails to do so.

As used in these Conditions, “**Relevant Date**” in respect of any Perpetual Security or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Perpetual Securityholders in accordance with Condition 14 that, upon further presentation of the Perpetual Security (or relative Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon presentation, and references to “**principal**” shall be deemed to include any premium payable in respect of the Perpetual Securities, all Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 5, “**distribution**” shall be deemed to include all Distribution Amounts and all other amounts payable pursuant to Condition 4 and any reference to “**principal**” and/or “**premium**” and/or “**Redemption Amounts**” and/or “**distribution**” shall be deemed to include any additional amounts which may be payable under these Conditions.

8. Prescription

Claims against the Issuer for payment in respect of the Perpetual Securities and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within three years from the appropriate Relevant Date for payment.

9. Non-payment

(a) Non-payment when due

Notwithstanding any of the provisions below in this Condition 9, the right to institute proceedings for winding-up of the Issuer is limited to circumstances where payment has become due. In the case of any distribution, such distribution will not be due if the Issuer has elected not to pay that distribution in accordance with Condition 4(IV). In addition, nothing in this Condition 9, including any restriction on commencing proceedings, shall in any way restrict or limit the rights of the Trustee or any of its directors, officers, employees or agents to claim from or to otherwise take any action against the Issuer in respect of any costs, charges, fees, expenses or liabilities incurred by such party pursuant to or in connection with the Perpetual Securities or the Trust Deed.

(b) Proceedings for Winding-Up

If (i) a final and effective order is made or an effective resolution is passed for the bankruptcy, winding-up, liquidation, receivership or similar proceedings of the Issuer or (ii) the Issuer fails to make payment in respect of the Perpetual Securities when due and such failure continues for a period of seven business days after the due date (together, the “**Enforcement Events**”), the Issuer shall be deemed to be in default under the Trust Deed and the Perpetual Securities and the Trustee may (but is not obliged to), subject to the provisions of Condition 9(d), institute proceedings for the winding-up of the Issuer and/or prove in the winding-up of the Issuer and/or claim in the liquidation of the Issuer for such payment.

(c) Enforcement

Without prejudice to Condition 9(b) but subject to the provisions of Condition 9(d), the Trustee may (but is not obliged to) without further notice to the Issuer institute such proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Perpetual Securities or the Trust Deed, as the case may be, (other than any payment obligation of the Issuer under or arising from the Perpetual Securities, including, without limitation, payment of any principal or premium or satisfaction of any distributions (including any damages awarded for breach of any obligations)) provided that in no event shall the Issuer, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it.

(d) Entitlement of Trustee

The Trustee shall not and shall not be obliged to take any of the actions referred to in Condition 9(b) or Condition 9(c) against the Issuer to enforce the terms of the Trust Deed or the Perpetual Securities unless (i) it shall have been so directed by an Extraordinary Resolution of the Perpetual Securityholders or so requested in writing by Perpetual Securityholders holding not less than 25 per cent. in principal amount of the Perpetual Securities outstanding and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

(e) Right of Perpetual Securityholders or Couponholders

No Perpetual Securityholder or Couponholder shall be entitled to proceed directly against the Issuer or to institute proceedings for the winding-up or claim in the liquidation of the Issuer or to prove in such winding-up unless the Trustee, having become so bound to proceed or being able to prove in such winding-up or claim in such liquidation, fails or

neglects to do so within a reasonable period and such failure or neglect shall be continuing, in which case the Perpetual Securityholder or Couponholder shall have only such rights against the Issuer as those which the Trustee is entitled to exercise as set out in this Condition 9.

(f) Extent of Perpetual Securityholders' remedy

No remedy against the Issuer, other than as referred to in this Condition 9, shall be available to the Trustee or the Perpetual Securityholders or Couponholders, whether for the recovery of amounts owing in respect of the Trust Deed or the Perpetual Securities or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Trust Deed or the Perpetual Securities (as applicable).

10. Meeting of Perpetual Securityholders and Modifications

The Trust Deed contains provisions for convening meetings of Perpetual Securityholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Perpetual Securities of such Series (including these Conditions insofar as the same may apply to such Perpetual Securities) or any of the provisions of the Trust Deed.

The Trustee or the Issuer at any time may, and the Trustee upon the request in writing by Perpetual Securityholders holding not less than one-tenth of the principal amount of the Perpetual Securities of any Series for the time being outstanding, and after being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses shall, convene a meeting of the Perpetual Securityholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Perpetual Securityholders of the relevant Series, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (a) to amend the dates of redemption of the Perpetual Securities or any date for payment of distribution or Distribution Amounts on the Perpetual Securities, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Perpetual Securities, (c) to reduce the rate or rates of distribution in respect of the Perpetual Securities or to vary the method or basis of calculating the rate or rates of distribution or the basis for calculating any Distribution Amount in respect of the Perpetual Securities, (d) to vary any method of, or basis for, calculating the Redemption Amount, (e) to vary the currency or currencies of payment or denomination of the Perpetual Securities, (f) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, (g) to amend the subordination provisions of the Perpetual Securities or (h) to modify the provisions concerning the quorum required at any meeting of Perpetual Securityholders or the majority required to pass the Extraordinary Resolution, will only be binding if passed at a meeting of the Perpetual Securityholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

The Trustee may agree, without the consent of the Perpetual Securityholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed or any of the other Issue Documents which in the opinion of the Trustee is of a formal, minor or technical nature, is made to correct a manifest error or to comply with mandatory provisions of Bermuda law or Singapore law or is required by Euroclear, Clearstream, Luxembourg, the Depository and/or any other clearing system in which the Perpetual Securities may be held and (ii) any other modification (except as mentioned in the Trust Deed) to the Trust Deed or any of the other Issue Documents, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any of the other Issue Documents, which is in the opinion of the Trustee not materially prejudicial to the interests of the Perpetual Securityholders. Any such modification,

authorisation or waiver shall be binding on the Perpetual Securityholders and the Couponholders and, if requested by the Trustee, such modification, authorisation or waiver shall be notified by or on behalf of the Issuer to the Perpetual Securityholders as soon as practicable (and in any event within 14 days of such modification, authorisation or waiver) in accordance with Condition 14.

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, waiver, authorisation or substitution) the Trustee shall have regard to the interests of the Perpetual Securityholders as a class and shall not have regard to the consequences of such exercise for individual Perpetual Securityholders or Couponholders.

These Conditions may be amended, modified, or varied in relation to any Series of Perpetual Securities by the terms of the relevant Pricing Supplement in relation to such Series.

11. Replacement of Perpetual Securities, Certificates, Coupons and Talons

If a Perpetual Security, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Perpetual Securities, Coupons or Talons) and of the Registrar (in the case of Certificates), or at the specified office of such other Paying Agent or, as the case may be, Transfer Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Perpetual Securityholders in accordance with Condition 14, on payment by the claimant of the costs, expenses and duties incurred in connection therewith and on such terms as to evidence, undertaking security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Perpetual Security, Certificate, Coupon or Talon is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Perpetual Security, Certificate, Coupon or Talon) and otherwise as the Issuer may require. Mutilated or defaced Perpetual Securities, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

12. Further Issues

The Issuer may from time to time without the consent of the Perpetual Securityholders or Couponholders create and issue further perpetual securities either having the same terms and conditions as the Perpetual Securities in all respects (or in all respects except for the first payment of distribution on them) and so that such further issue shall be consolidated and form a single series with the outstanding perpetual securities of any series (including the Perpetual Securities) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Perpetual Securities include (unless the context requires otherwise) any other perpetual securities issued pursuant to this Condition 12 and forming a single series with the Perpetual Securities. Any further perpetual securities forming a single series with the outstanding perpetual securities of any series (including the Perpetual Securities) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Perpetual Securityholders and the holders of perpetual securities of other series where the Trustee so decides

13. 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 proceedings to enforce repayment unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trust Deed also contains a provision entitling the Trustee or any corporation related to it to enter into business transactions with the Issuer or any of its related corporations or affiliates without accounting to the Perpetual Securityholders or Couponholders for any profit resulting from such transactions.

Each Perpetual Securityholder and Couponholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and the Trustee shall not at any time have any responsibility for the same and each Perpetual Securityholder and Couponholder shall not rely on the Trustee in respect thereof.

14. Notices

Notices to the holders of Registered Perpetual Securities shall be valid if mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or Sunday) after the date of mailing. Notwithstanding the foregoing, notices to the holders of Perpetual Securities will be valid if (a) published in a leading newspaper in the English language of general circulation in Singapore (it is expected that such publication will be made in *The Business Times*) or (b) an announcement is made through the internet-based submission system operated by the SGX-ST (or, if the holders of any Series of Perpetual Securities can be identified, notices to such holders will also be valid if they are given to each of such holders). Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper or internet-based submission system as provided above. Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders of Bearer Perpetual Securities in accordance with this Condition 14.

So long as the Perpetual Securities are represented by a Global Security or a Global Certificate and such Global Security or Global Certificate is held in its entirety on behalf of Euroclear, Clearstream, Luxembourg and/or the Depository, there may be substituted for such publication in such newspapers or announcement through the internet-based submission system operated by the SGX-ST the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg and/or (subject to the agreement of the Depository) the Depository for communication by it to the Perpetual Securityholders, except that if the Perpetual Securities are listed on the SGX-ST and the rules of such exchange so require, notice will in any event be published in accordance with the first paragraph above. Any such notice shall be deemed to have been given to the Perpetual Securityholders on the seventh day after the day on which the said notice was given to Euroclear, Clearstream, Luxembourg and/or the Depository.

Notices to be given by any Perpetual Securityholder pursuant hereto (including to the Issuer) shall be in writing and given by lodging the same, together with the relative Perpetual Security or Perpetual Securities, with the Issuing and Paying Agent (in the case of Bearer Perpetual Securities) or the Registrar (in the case of Certificates). Whilst the Perpetual Securities are represented by a Global Security or a Global Certificate, such notice may be given by any Perpetual Securityholder to the Issuing and Paying Agent or, as the case may be, the Registrar through Euroclear, Clearstream, Luxembourg and/or the Depository in such manner as the Issuing and Paying Agent or, as the case may be, the Registrar and Euroclear, Clearstream, Luxembourg and/or the Depository may approve for this purpose.

Notwithstanding the other provisions of this Condition, in any case where the identities and addresses of all the Perpetual Securityholders are known to the Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given when received at such addresses.

15. Contracts (Rights of Third Parties) Act

No person shall have any right to enforce any term or condition of the Perpetual Securities under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.

16. Governing Law

(a) Governing Law

The Trust Deed, the Perpetual Securities, the Coupons and the Talons are governed by, and shall be construed in accordance with, the laws of Singapore, save that Clause 8.3.1 to 8.3.3 of the Trust Deed and Conditions 3(b)(i) to 3(b)(iii) are governed by, and shall be construed in accordance with, the laws of Bermuda.

(b) Jurisdiction

The courts of Singapore are to have non-exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Trust Deed, the Perpetual Securities, the Coupons or the Talons and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed, the Perpetual Securities, the Coupons or the Talons may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

(c) Process Agent

The Issuer has irrevocably appointed ARA Management Pte. Ltd. as its authorised agent for service of process in Singapore. If for any reason such agent shall cease to be such agent for service of process, the Issuer shall forthwith appoint a new agent for service of process in Singapore and deliver to the Trustee a copy of the new agent's acceptance of that appointment within 30 days. Nothing in the Trust Deed, the Notes or the Coupons shall affect the right to serve process in any other manner permitted by law.

Issuing and Paying Agent, Agent Bank, Registrar and Transfer Agent

DBS Bank Ltd.
10 Toh Guan Road
#04-11 (Level 4B)
DBS Asia Gateway
Singapore 608838

THE ISSUER

1. HISTORY AND BACKGROUND

The Issuer was incorporated in Bermuda on 1 July 2002 and is a premier integrated real estate fund manager with an established track record in the management of REITs and private real estate funds, complemented by its in-house real estate management services division.

Founded on its core values of *Integrity, Excellence, Respect* and *Teamwork*, the Issuer has built a diverse suite of REITs and private real estate funds that are invested in the office, retail, logistics/industrial, hospitality and residential sectors in the Asia Pacific region, underpinned by an extensive business network and local operational expertise. Each public-listed REIT is managed by a separate subsidiary (either wholly or partly owned) of the Issuer, while the private real estate funds are managed by ARA Private Funds, the private real estate funds division of the Group. Supported by its in-house real estate management services and corporate services, the Issuer creates value in every stage of the asset life cycle to maximise the value of the assets.

The Issuer was listed on the Mainboard of SGX-ST on 2 November 2007 and subsequently privatised via a scheme of arrangement. It was delisted from the Official List of SGX-ST on 19 April 2017.

As at 30 September 2017, the Issuer has approximately 1,300 professionals in 20 cities with Group assets under management (“**AUM**”) of approximately S\$35 billion.

The following sets out some of the significant milestones in the Group’s corporate history:

- In 2003, Fortune REIT, Asia’s first cross-border REIT with a mandate to invest primarily in retail malls and properties in Hong Kong, was listed on the SGX-ST.
- In 2004, Suntec REIT, the first REIT in Singapore owning both retail and office properties, with a mandate to invest primarily in prime retail and office properties, was listed on the SGX-ST.
- In 2005, Prosperity REIT, the first private sector REIT with a mandate to invest primarily in office and industrial properties in decentralised business districts in Hong Kong, was listed on the HKEx.
- In 2006, AmFIRST REIT was listed on the Main Board of Bursa Malaysia in a joint-venture between the Issuer (30%) and the AmBank Group (70%), with a mandate to invest primarily in commercial properties in Malaysia.
- In 2007, the Issuer was the first fund manager to be listed on the Mainboard of SGX-ST with a market capitalisation of S\$669 million.
- In 2008, the Group established the ADF I, the Group’s flagship private real estate fund with an aggregate capital commitments in excess of US\$1.1 billion. Its mandate is to invest across Asia with a primary focus on the main cities of China, Singapore, Hong Kong and Malaysia.

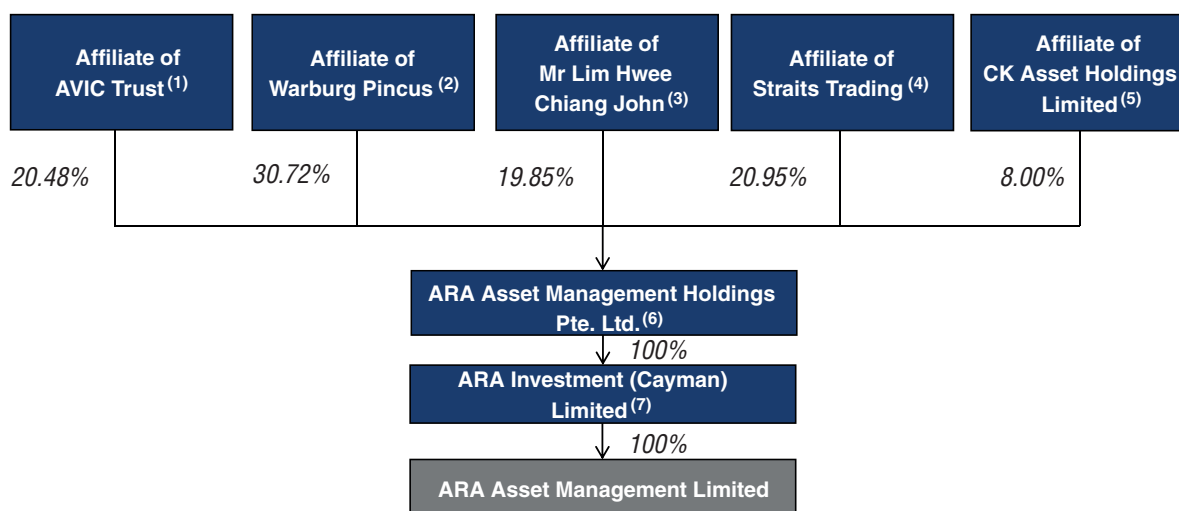
- In 2009, the Group established its real estate management services business division following the acquisition of the managing agent of the Suntec City Management Corporation Strata Title and its appointment as the property manager of Suntec City Mall and the Suntec City Offices owned by Suntec REIT. The Group also closed the Harmony I, a single-asset private real estate fund which owns the SSCEC.
- In 2010, Fortune REIT was dual-listed on the HKEx. In the same month, the Group also listed Cache on the Mainboard of SGX-ST in a joint-venture between the Issuer (60%) and CWT Limited (40%), with a mandate to invest in logistics properties across the Asia Pacific region.
- In 2011, (1) Hui Xian REIT, the first offshore RMB-denominated public equity offering in Hong Kong and the first RMB-denominated REIT in the world, was listed on the HKEx. Hui Xian REIT's main asset is the Oriental Plaza in Beijing, China; (2) the Harmony I divested its interest in SSCEC and achieved an IRR of 64.8% for its investors; and (3) the Harmony II was established and continued as a single asset investment in SSCEC with new investors.
- In 2012, the Group closed the CIP with an initial capital commitment of US\$500 million and the ADF II with a capital commitment of US\$441 million, whilst the APM Group expanded its operations to include China and Malaysia.
- In 2013, the Group closed the MIP with a capital commitment of US\$240 million and also established a strategic alliance with STC, one of the oldest publicly-listed companies in Singapore.
- In 2014, the Group (1) acquired ARA Korea Limited ("**ARA Korea**"), a new REIT platform in South Korea, which managed two privately-held Korean Real Estate Investment Trusts ("**K-REITs**"), namely ARA-NPS Real Estate Investment Company, and ARA-NPS REIT No. 2, both of which are invested in office properties in South Korea with a combined value of KRW627.8 billion as at 31 December 2014; (2) established a new Asia-focused development fund, the SDF I, with a capital commitment of US\$80 million to invest in real estate development projects and projects with value enhancement potential in Australia and South East Asia. With this, the Group expanded its suite of private real estate funds under ARA Private Funds to range from development-focused products to core investment products, and extended ARA Private Fund's geographical reach in Asia to include Australia; and (3) closed the SIP, a separate account managing a real estate portfolio worth approximately S\$850 million belonging to STC.
- In 2015, the Group (1) established its Australian platform to further drive its business expansion initiatives and strengthen its presence in the Asia Pacific region. Australia is identified as a target market that offers investment and capital raising opportunities that is expected to support the future growth in the Group's funds platform; (2) established the Harmony III with a committed capital of S\$182 million to invest in a portfolio of income-producing retail properties in Malaysia. Offering a good opportunity in gaining exposure to Malaysia's tightly-held retail market, the portfolio of strategically-located malls provides a stable income stream with potential to achieve stronger rental growth through a proactive asset management strategy; (3) established the PIP with a capital commitment of US\$325 million. It has a mandate to invest in real estate markets across Asia, targeting prime office, retail and logistics properties; (4) launched a new privately-held REIT named ARA-ShinYoung REIT with a mandate to invest in residential assets in South Korea; and (5) established the Harmony V, a single-asset investment with a committed capital of S\$384 million, to own and redevelop 9 Penang Road located within Singapore's prime shopping belt into two Grade A modern office blocks with a retail podium.

- In 2016, the Group (1) established a new privately-held K-REIT named ARA-ShinYoung REIT No. 2 following the success of the first ARA-ShinYoung REIT with a similar focus on residential properties; (2) established the Harmony VI to invest in Century Link, a newly-completed premium-grade integrated commercial property located in the heart of Lujiazui Finance and Trade Zone in Pudong New District, Shanghai, China. With a property value of approximately RMB20 billion, the deal was the largest single-asset property transaction in Asia in 2016; and (3) announced the proposed privatisation of the Issuer with new partners, world-renowned U.S. private equity firm Warburg Pincus and China’s AVIC Trust, via a scheme of arrangement at S\$1.78 cash per scheme share.
- In 2017, the Group (1) established a new privately-held K-REIT named ARA-Alpharium REIT, owning two new Grade A office buildings situated in a newly-developed satellite business district near Seoul with an approximate AUM of KRW550 billion. This is the fifth privately-held K-REIT wholly-managed by ARA Korea; (2) established ARA Korea Global REIT I, an indirect investment REIT in South Korea investing in listed REITs in the Asia Pacific; (3) entered into the scheme of arrangement that was registered pursuant to Section 99(3) of the Bermuda Companies Act and became effective and binding in accordance with its terms. Subsequently on 19 April 2017, the Group was officially delisted from the Official List of SGX-ST; and (4) as announced on Japan’s Electronic Disclosure for Investors’ NETwork (“**EDINET**”) on 4 December 2017, the Group strengthened its Japan platform through the acquisition of an approximately 21% interest in Kenedix, Inc., one of the leading and largest independent real estate asset management company in Japan and is listed on the Tokyo Stock Exchange (“**TSE**”).

2. GROUP STRUCTURE

Group Structure (Post Privatisation)

The Issuer is a wholly-owned subsidiary of ARA Investment (Cayman) Limited (formerly known as Athena Investment Company (Cayman) Limited) (“**ARAC**”) and a wholly-owned indirect subsidiary of ARA Asset Management Holdings Pte. Ltd. (formerly known as Athena Investment Company (Singapore) Pte. Limited) (“**ARAH**”). The shareholders of ARAH and their respective Shareholdings are as follows:



Note(s):

- (1) Shares are held by AVICT Dragon Holdings Limited, a special purpose vehicle established and controlled by AVIC Trust.
- (2) Shares are held by Alexandrite Gem Holdings Limited, an affiliate of Warburg Pincus.
- (3) Shares are held by JL Investment Group Limited, an entity wholly-owned by Mr Lim Hwee Chiang John.
- (4) Shares are held by Straits Equities Holdings (One) Pte. Ltd, a wholly-owned subsidiary of The Straits Trading Company Limited.
- (5) Shares are held by Wealthman Group Limited, an indirect wholly-owned subsidiary of CK Asset Holdings Limited (formerly known as Cheung Kong Property Holdings Limited).
- (6) Formerly known as Athena Investment Company (Singapore) Pte. Limited.
- (7) Formerly known as Athena Investment Company (Cayman) Limited.

Our New Partners

Warburg Pincus

- Leading global private equity firm focused on growth investing.
- More than US\$40 billion in private equity AUM.
- Experienced partner to management teams seeking to build durable companies with sustainable value.

AVIC Trust

- Leading investment and trust manager in China with AUM of over US\$51 billion.
- Owned by Oversea-Chinese Banking Corporation Limited (19.9988%) and indirectly owned by AVIC Capital Co., Limited (80.0012%), a company listed on the Shanghai Stock Exchange and the finance arm of the Aviation Industry Corporation of China.

The following table provides a list of the Issuer's key subsidiaries as at 30 September 2017:

	Name of Subsidiary	Country of Incorporation	Effective ownership interest (%)
1	ARA Asset Management (Fortune) Limited	Republic of Singapore	100
2	ARA Trust Management (Suntec) Limited	Republic of Singapore	100
3	ARA Management Pte. Ltd.	Republic of Singapore	100
4	ARA Asset Management (Prosperity) Limited	Hong Kong	100
5	ARA-CWT Trust Management (Cache) Limited	Republic of Singapore	60
6	ARA Managers (APF) Pte. Ltd.	Republic of Singapore	100
7	ARA Fund Management (Asia Dragon II) Limited	Bermuda	100
8	ARA Fund Management (CIP) Limited	Bermuda	100
9	Jadeline Capital Sdn. Bhd.	Malaysia	100
10	ARA Investors II Limited	British Virgin Islands	100
11	ARA Real Estate Investors V Limited	British Virgin Islands	100
12	ARA Real Estate Investors VI Limited	British Virgin Islands	100
13	ARA Real Estate Investors VII Limited	British Virgin Islands	100
14	ARA Real Estate Investors VIII Limited	British Virgin Islands	100
15	ARA Real Estate Investors IX Limited	British Virgin Islands	100
16	ARA Real Estate Investors X Pte. Ltd.	Republic of Singapore	90.1
17	ARA Real Estate Investors XI Limited	British Virgin Islands	100
18	ARA Real Estate Investors XII Limited	British Virgin Islands	100
19	ARA Real Estate Investors XIII Limited	British Virgin Islands	100
20	ARA Real Estate Investors XVIII Pte. Ltd.	Republic of Singapore	100
21	ARA Managers (Harmony) Pte. Ltd.	Republic of Singapore	100

	Name of Subsidiary	Country of Incorporation	Effective ownership interest (%)
22	Suntec Singapore International Convention & Exhibition Services Pte. Ltd.	Republic of Singapore	100
23	APM Property Management Pte. Ltd.	Republic of Singapore	100
24	SC Property Management Co. Ltd.	Hong Kong	57
25	Asia Property Management (China) Limited ⁽¹⁾	Hong Kong	48.45
26	ARA Fund Management (MIP) Limited	Bermuda	100
27	ARA Fund Management (Harmony III) Limited	Cayman Islands	65
28	ARA Fund Management (SDF) Limited	Cayman Islands	100
29	ARA Korea Limited	Republic of Korea	90.1
30	ARAM Australia Pty Ltd	Australia	90
31	ARA Fund Management (PIP) Limited	Cayman Islands	100
32	ARA Real Estate Investors XV Limited	British Virgin Islands	100

(1) Although the Group owns less than half of the voting power, it is able to govern the financial and operating policies of the company by virtue of an agreement with the other investors of Asia Property Management (China) Limited and its subsidiaries. Consequently, it is determined that the Group controls this company and consolidates its investment in the company and its subsidiaries.

3. BUSINESS ACTIVITIES

The Group's business covers the following segments (with its core business focused on REITs and private real estate funds) as at the Latest Practicable Date:

- (a) REITs — The Group manages 11 REITs across three jurisdictions including six privately-held K-REITs;
- (b) Private real estate funds — The Group manages 9 private real estate funds with more than US\$5.8 billion in capital raised; and
- (c) Real estate management services — The Group provides property management services for commercial real estates and retail malls spanning Singapore, China and Malaysia, including the award-winning SSCEC.

The table below details the Group's diverse suite of REITs and private real estate funds that are invested in the office, retail, logistics/industrial, hospitality and residential sectors in the Asia Pacific region, complemented by its in-house real estate management services as at 30 September 2017:

A Resilient Portfolio of Funds & Services

12 REITs and 9 private real estate funds under management as at 30 September 2017



REITs	ARA-ShinYoung REITs	ARA-NPS REITs	HUI XIAN REIT	CACHE	AmFIREST	PROSPERITY REIT	SUNTEC	FORTUNE REIT	ARA-Korea Global REIT I	ARA-Alphaarium REIT	ARA-Korea Global REIT I
Listing Venue	Private REITs	Private REITs	HKEx	SGX-ST	Bursa	HKEx	SGX-ST	SGX-ST & HKEx	Private REIT	Private REIT	Private REIT
Listing Year	2015; 2016	2007; 2010 (1)	2011	2010	2006 (3)	2005	2004	2003	2017	2017	2017
Focus	Residential properties in South Korea	Office properties in South Korea	Commercial properties in China	Logistics properties in the Asia Pacific region	Commercial properties in Malaysia	Office & ind/ office properties in Hong Kong	Prime office & retail properties in S' pore & Aust	Suburban retail properties in Hong Kong	Dividend-paying Investment REIT	Office property in South Korea	Dividend-paying Investment REIT
Value (2)(4)	KRW72b	KRW657b	RMB42b	US\$1,238m	RM1,663m	HK\$10.3b	US\$9,348m	HK\$38b	KRW550b	KRW72b	KRW17b
Private Real Estate Funds	ARA HARMONY I	ARA HARMONY II	ARA HARMONY III	ARA HARMONY IV	ARA HARMONY V	ARA HARMONY VI	ARA HARMONY VII	ARA HARMONY VIII	ARA HARMONY IX	ARA HARMONY X	ARA HARMONY XI
Description	Mandated to invest in real estate devts primarily in Southeast Asia and Australia	Single-asset established to invest in Century Link	Portfolio Investment in well-located retail properties in Malaysia	Single-asset investment in the Suntec Singapore Convention & Exhibition Centre	Core-plus private real estate fund investing in real estate assets across Asia including Australia, Singapore, Hong Kong, China and Japan	MIP Morningstar Investment Partners Value-add private real estate fund investing in high quality office and commercial properties primarily in Singapore and Hong Kong	CIP ARA China Investment Partners Core-plus private real estate fund investing in high quality office and commercial properties in key cities in China	ADF II ARA Asia Dragon Fund II 2nd strategic & opportunistic private real estate fund investing in Singapore, Hong Kong, China, Malaysia and other emerging economies in Asia	SDF I ARA Summit Development Fund I		
Fund Size	RMB 20b (Purchase Price)	US\$384m (Committed Capital)	RM1.911m (GAV)	US\$688m (GAV)	US\$325m (Committed Capital)	US\$240m (Committed Capital)	US\$799m (Committed Capital)	US\$441m (Committed Capital)	US\$80m (Committed Capital)		

Real Estate Mgmt Services

Description

Property management services provider

Operations, sales and marketing consultant for convention, exhibition, meeting and event facilities

Suntec SINGAPORE
International Convention & Exhibition Centres

Suntec INTERNATIONAL
International Convention & Exhibition Centres

Notes:
 (1) Two closed-end privately-held REITs with finite term of 10 years
 (2) As at 30 September 2017. In the case of ARA-ShinYoung REITs, value refers to estimated total development costs
 (3) As at 5 January 2018, ARA has disposed all of its effective interest in the joint venture
 (4) b-billion ; m-million

As of 30 September 2017, the Group has approximately S\$35 billion in AUM, comprising over 90 properties measuring approximately 57 million sqft (GFA).

(a) **Real Estate Investment Trusts**

As at the Latest Practicable Date, the Group manages 11 REITs across three jurisdictions. These include Fortune REIT, which is primary-listed on the HKEx and secondary-listed on the SGX-ST, Suntec REIT and Cache, which are listed on the SGX-ST, Prosperity REIT and Hui Xian REIT, which are listed on the HKEx, and six privately-held K-REITs, namely ARA-NPS REITs, ARA-ShinYoung REITs, ARA-Alpharium REIT and ARA Korea Global REIT I. As at 5 January 2018, the Group ceased management of AmFIRST REIT, which is listed on Bursa Malaysia, through the disposal of all its effective interest in the joint venture.

The REITs portfolio has an aggregate gross property value of approximately S\$23.1 billion (approximately US\$17.0 billion⁽¹⁾) with close to 38.9 million sqft (GFA) of real estate as at 30 September 2017. The revenue contribution by the Group's REITs comprises (i) base fees as a percentage of the gross property value or deposited property of the properties under management; (ii) variable fees as a percentage of the net property income of the properties under management; and (iii) one-off acquisition or divestment fees as a percentage of the purchase or sale consideration of the property.

⁽¹⁾ Based on exchange rates as at 30 September 2017.

Suntec REIT

First composite REIT in Singapore

Listed on 9 December 2004 on the SGX-ST, Suntec REIT is the first composite REIT in Singapore owning income-producing real estate that is primarily used for retail and/or office purposes.

Suntec REIT's portfolio as at 30 September 2017 comprises office and retail properties in Suntec City, a 60.8% interest in the SSCEC, a one third interest in One Raffles Quay, a one-third interest in Marina Bay Financial Centre Towers 1 and 2 and the Marina Bay Link Mall and a 30.0% interest in 9 Penang Road which is currently under development. Suntec REIT's Australian portfolio includes a 100.0% interest in a commercial building located at 177 Pacific Highway in Sydney and a 25.0% interest in Southgate Complex in Melbourne and a 50% interest in a commercial building located at Olderfleet, 477 Collins Street in Sydney, which is currently under development.

Suntec REIT is managed by ARA Trust Management (Suntec) Limited, a wholly-owned subsidiary of the Issuer.

Fortune REIT

Asia's first cross border and sole dual-listed REIT in Singapore and Hong Kong

Fortune REIT is primary-listed on the HKEx and secondary-listed on the SGX-ST. Fortune REIT is Asia's first cross-border REIT and also the first REIT to hold assets in Hong Kong.

As at 30 September 2017, Fortune REIT held a portfolio of 17 private housing estate retail properties in Hong Kong comprising approximately 3.18 million sqft of retail space and 2,713 car parking lots.

The portfolio of 17 malls has been grouped under the asset brand of “Fortune Malls”, sharing the spirit of enriching family lives and making a positive difference to the community. Fortune Malls are private housing estate retail properties catering to the day-to-day needs of the residents and households from these communities.

Fortune REIT is managed by ARA Asset Management (Fortune) Limited, a wholly-owned subsidiary of the Issuer.

Prosperity REIT

First Private sector REIT in Hong Kong

Listed on 16 December 2005 on the HKEx, Prosperity REIT is the first private sector REIT listed in Hong Kong.

As at 30 September 2017, it owned a diverse portfolio of seven high-quality office, commercial, industrial/office and industrial properties in the decentralised business districts of Hong Kong, with a total gross rentable area of approximately 1.3 million sqft.

Prosperity REIT is managed by ARA Asset Management (Prosperity) Limited, a wholly-owned subsidiary of the Issuer.

AmFIRST REIT

A commercial REIT in Malaysia

Listed on 21 December 2006 on Bursa Malaysia Securities Berhad, AmFIRST REIT is a commercial REIT listed in Malaysia.

As at 30 September 2017, AmFIRST REIT held a portfolio of nine commercial properties in Malaysia, of which two are located within the Kuala Lumpur Golden Triangle area, one each in Petaling Jaya, Kelana Jaya, Subang Jaya and Melaka, two properties in Cyberjaya and one in Penang. The portfolio also includes a 332-room four-star rated hotel and a retail mall located in Subang Jaya.

AmFIRST REIT is managed by Am ARA REIT Managers Sdn. Bhd., a joint venture (in which the Issuer held an effective 30% interest) with AmInvestment Group Berhad (70% interest) in Malaysia. As at 5 January 2018, the Issuer has disposed of all its effective interest in the joint venture.

Cache Logistics Trust

Asia Pacific-focused logistics REIT in Singapore

Listed on the SGX-ST on 12 April 2010, Cache is a REIT that invests in income-producing real estate used for logistics purposes, as well as real estate-related assets in the Asia Pacific.

As at 30 September 2017, Cache’s portfolio comprises 19 high quality logistics warehouse properties strategically located in established logistics clusters in Singapore, Australia and China with a total gross floor area of approximately 7.6 million sqft and a portfolio value of approximately S\$1.2 billion.

Cache is managed by ARA-CWT Trust Management (Cache) Limited, a joint venture REIT management company between the Issuer (60% interest) and CWT Limited (40% interest).

Hui Xian REIT

First listed RMB-denominated REIT

Listed on 29 April 2011, Hui Xian REIT is the first offshore RMB-denominated equity offering to be listed on the HKEx.

As at 30 September 2017, Hui Xian REIT's real estate portfolio spanned across retail, office, serviced apartments and hotels in China, comprising the Beijing Oriental Plaza, Sofitel Shenyang Lido, Chongqing Metropolitan Oriental Plaza, Harbour Plaza Chongqing and Sheraton Chengdu Lido Hotel.

Beijing Oriental Plaza is one of the largest and most iconic mixed-use developments in Beijing with a combined gross floor area of approximately 8.5 million sqft. Sofitel Shenyang Lido is a five-star hotel in Shenyang offering 590 rooms. Chongqing Metropolitan Oriental Plaza is an iconic mixed use complex strategically located in Chongqing's Jiefangbei Central Business District with a combined gross floor area of approximately 1.8 million sqft. Harbour Plaza Chongqing is a five-star hotel located at Jiefangbei area of Chongqing, adjacent to Chongqing Metropolitan Oriental Plaza. Sheraton Chengdu Lido Hotel is an international five-star hotel in Chengdu, offering 387 rooms.

Hui Xian REIT is managed by Hui Xian Asset Management Limited, a joint venture between Cheung Kong Group (30% interest), CITIC Securities International Group Limited (40% interest) and the Issuer (30% interest).

ARA-NPS REITs

Privately-held REITs in South Korea

The ARA-NPS Real Estate Investment Company and ARA-NPS REIT No. 2, are managed by ARA Korea. The invested assets comprise commercial properties in Seoul with a total net floor area of approximately 1.5 million sqft. The assets are mainly leased to anchor tenants for their main office operations. CJ Group is the anchor tenant for CJ Cheil Jedang Center whilst ING Life Korea is the anchor tenant for ING Center.

Both K-REITs are unlisted and mainly funded by the National Pension Service of Korea, one of the top five national pension funds in the world.

ARA-ShinYoung Residential REITs

Privately-held residential REITs in South Korea

The Group had in 2015 launched ARA-ShinYoung REIT which invested into a residential development project in Seoul with a total development cost of approximately KRW43 billion. Following the success of ARA-ShinYoung REIT, ARA-ShinYoung REIT No. 2, was established in July 2016 and invested into a residential development project in Seoul with a total development cost of approximately KRW54 billion.

Launched in partnership with ShinYoung Co., Ltd., an experienced residential property developer and operator in Korea, ARA Korea is mandated as the sole asset manager of both K-REITs. Both K-REITs are wholly-managed by ARA Korea.

ARA-Alpharium REIT

Privately-held residential REIT in South Korea

In January 2017, the Group successfully completed the acquisition of Alpharium Towers via a newly-established privately-held K-REIT. Situated in Pangyo, a newly-developed satellite business district near Seoul, Alpharium Towers comprise two grade-A office buildings with limited retail use in the lower levels, with a total gross floor area of approximately 1.2 million sqft (net floor area of 551,502 sqft). The asset's entire office portion is master-leased by Samsung C&T.

ARA Korea Global REIT I

Privately-held indirect investment REIT in South Korea

In March 2017, the Group established ARA Korea Global REIT I, an indirect investment REIT in South Korea with an approximate AUM of KRW17 billion, investing in listed REITs in the Asia Pacific.

(b) Private Real Estate Funds

ARA Private Funds is a leading private equity real estate manager and one of the industry leaders in the Asia Pacific region. Embracing an investor-cum-operator philosophy, ARA Private Funds comprises an experienced team of real estate professionals to invest and manage properties in multiple asset classes across Asia for a broad range of investors, including public and private pension funds, sovereign wealth funds, endowment funds, an insurer, other global institutional investors and high net worth individual clients.

ARA Private Funds has several established fund platforms comprising commingled funds, separate accounts and single asset and portfolio club deals bearing various investment strategies catering to investors' specific needs:

- Value-add and Opportunistic strategy: ARA Private Funds' value-add/opportunistic business seeks to acquire quality assets with value enhancement potential at strategic locations and at attractive discount to value. Equipped with extensive operational expertise, the manager seeks to deliver enhanced returns by targeting individualized strategies for each asset and portfolio. The asset and portfolio will be divested immediately upon fulfilment of each fund's investment objectives. The business aims to deliver compelling returns to investors with moderate to high risk appetite.
- Core and core-plus strategy: ARA Private Funds' core/core-plus platforms target high quality assets in key gateway cities. Assets and portfolios are managed at great efficiency with a longer term holding period, focused on generating stabilised, predictable income yield. The business aims to deliver optimal risk-adjusted returns for investors with low to modest risk profile.
- Debt strategy: ARA Private Funds' debt platform provides primary loans with excellent risk-adjusted return profile for investors, while providing innovative solutions to borrowers.

The revenue contribution by the Group's private real estate funds business segment comprises (i) portfolio management fees as a percentage of the committed capital or contributed capital, invested capital or gross property value of the funds under management, as the case may be; (ii) performance fees comprising a share of the returns of the funds above certain hurdle rates; and (iii) return on seed capital.

A brief description of the private real estate funds is set out below:

ARA Asia Dragon Fund (“ADF I”)

Opportunistic fund investing in Asia

The ADF I was the Issuer’s flagship private fund designed to provide a platform for global institutional investors to invest in a diversified portfolio of real estate investments in various growth economies of Asia. The ADF I had attracted a stellar group of institutional investors, including pensions funds, endowment funds and a sovereign wealth fund. Leveraging on the Issuer’s experience and intimate knowledge of real estate markets in Asia, the fund had made strategic and opportunistic investments in a diversified portfolio located across Asia, with the goal of optimizing total returns from a combination of income and capital appreciation. The investment mandate covered retail, office and residential real estate primarily in the main cities of China, Singapore, Hong Kong and Malaysia, and secondarily in other emerging economies in Asia.

A closed-end fund with an aggregate capital commitment in excess of US\$1.1 billion, the ADF I had invested in office, retail and residential assets in four countries. As at the Latest Practicable Date, the fund has been fully liquidated.

ARA Asia Dragon Fund II (“ADF II”)

Successor fund to the ADF I

The ADF II is the successor fund to the ADF I, adopting the same proven investment strategy of the ADF I. In 2012, the ADF II successfully closed with US\$441 million in capital commitments.

The ADF II has made investments in the retail, office and residential sectors in China and Malaysia, and is fully invested.

ARA China Investment Partners (“CIP”)

Core-plus fund investing in key cities in China

The CIP was established in June 2012 with an initial capital commitment of US\$500 million. California Public Employees’ Retirement System (“**CalPERS**”) is the main investor, whereby upon full deployment of the initial capital commitment, additional capital commitments can be made at the investors’ discretion.

As at the Latest Practicable Date, the CIP has cumulative capital commitment in excess of US\$800 million and has invested in a portfolio of prime income-producing office and retail properties in selected key cities of China.

Morningside Investment Partners (“MIP”)

Value-add fund investing primarily in Singapore and Hong Kong

The MIP was established in November 2013 with a capital commitment of US\$240 million. A large United States public pension fund is its anchor investor and the fund is mandated to invest in income-producing office and retail properties primarily in Singapore and Hong Kong.

As at the Latest Practicable Date, the MIP is fully invested.

Peninsula Investment Partners (“PIP”)

Core/Core-plus fund investing in real estate assets across Asia

The PIP was established in September 2015 with a capital commitment of US\$325 million, with a mandate to invest primarily in developed real estate markets across Asia, targeting prime office, retail and logistics properties. A premier Asian-based sovereign wealth fund is the anchor investor.

As at the Latest Practicable Date, the PIP is fully invested.

Straits Investment Partners (“SIP”)

Separate account managing STC’s real estate portfolio

The SIP was established to manage and divest the real estate portfolio belonging to STC of approximately S\$850 million at inception. As at the Latest Practicable Date, after completion of approximately S\$575 million in asset divestments, the Issuer has ceased management and divestment of the remaining portfolio.

ARA Harmony II (SSCEC) (“Harmony II”)

Value-added investment in the award-winning Suntec Singapore Convention & Exhibition Centre

The Harmony II is a single-asset investment in the SSCEC. Initial investors of the investment have divested their interests in August 2011, achieving a gross IRR of 64.8%.

The Harmony II continued with new investors and crossed its initial five-year term on 30 September 2014. The successful implementation and completion of the asset enhancement initiative in 2013 transformed the asset and resulted in a significant uplift in the value and yield of the asset. Thus, over the initial five-year term, the investment vehicle has achieved a gross IRR of 27.4% with an equity multiple of over 3.1 times for its investors.

Suntec REIT currently holds an effective 60.8% interest in the Harmony II.

ARA Harmony III (Malaysian Malls) (“Harmony III”)

Core-plus investment in a portfolio of retail properties in Malaysia

The Harmony III was established in June 2015 with a committed capital of S\$182 million to invest in a portfolio of income-producing retail properties in Malaysia. Offering a good opportunity in gaining exposure to Malaysia’s tightly-held retail market, the portfolio of strategically-located malls provides a stable income stream with potential to achieve stronger rental growth through a proactive asset management strategy. The investors of the Harmony III include the SingHaiyi Group of companies and Straits Real Estate.

ARA Harmony V (9 Penang Road) (“Harmony V”)

Single-asset investment to own and redevelop 9 Penang Road, Singapore

The Harmony V is a single-asset investment established in December 2015 with a committed capital of S\$384 million to own and redevelop 9 Penang Road located within Singapore’s prime shopping belt into two Grade A modern office blocks with a retail podium. The investors of Harmony V comprise the SingHaiyi Group of companies, Haiyi Holdings Pte Ltd and Suntec REIT.

ARA Harmony VI (Century Link) (“Harmony VI”)

Single-asset investment to own and manage Century Link, Shanghai, China

The Harmony VI is a single-asset entity established to invest in a newly-completed premium-grade integrated commercial property in Shanghai, China. Century Link is a landmark integrated commercial development sited directly atop the city’s only four-subway line interchange hub in the Lujiazui Finance and Trade Zone in Pudong New District, Shanghai, China.

The Harmony VI is anchored by an established Asian insurer with a minority stake held by the Peninsula Investment Partners, L.P. and Peninsula Co-Investment Holdings I (Century), L.P.

ARA Summit Development Fund I (“SDF I”)

Asia-focused development fund

The SDF I is an Asia-focused development fund established in May 2014 with a capital commitment of US\$80 million, mandated to invest in the financing of real estate development projects with value enhancement potential in Australia and South East Asia. Straits Real Estate is the anchor investor.

As at the Latest Practicable Date, the SDF I is financing two developments in Australia.

(c) Real Estate Management Services

In addition to managing REITs and private real estate funds, the Group also provides property management services and convention and exhibition services under its real estate management services division. This comprises APM Property Management, Suntec Singapore and Suntec International, as described in further detail below.

The revenue contribution by the Group’s real estate management services comprises (i) property management fees as a percentage of gross revenue or gross revenue and net property income of the properties managed; (ii) convention and exhibition services fees as a percentage of gross revenue of the properties managed; and (iii) consultancy fees as a percentage of project value.

APM Property Management

APM is the Group’s bespoke property management business, led by a team of dedicated professionals with years of leadership experience providing services for commercial real estate and retail mall management. APM’s focused strengths lie in strategic marketing, retail business and office leasing as well as large scale project management. Development planning, retail advisory and consultancy, mall re-positioning and pre-opening services are the value-added services which APM provides in delivering its asset enhancement strategies. Over the last five years, APM’s operations has spanned Singapore, China and Malaysia, managing approximately 15.4 million sqft of retail and commercial properties owned by Suntec REIT and ARA Private Funds as at 30 September 2017.

In Singapore, APM is the property manager for Suntec City and is the managing agent of The Management Corporation Strata Title Plan No. 2197, responsible for the management and maintenance of the common property for Suntec City. Since 2012, APM has been the appointed project manager overseeing the major refurbishment of Suntec City into an even more vibrant and exciting shopping and destination for MICE.

In China, APM is the property manager for approximately 8.4 million sqft of prime retail and commercial space in Shanghai, Dalian and Beijing. In Malaysia, it provides property management, consultancy and project management services to approximately 3.7 million sqft of properties, all as at 30 September 2017.

Suntec Singapore

A wholly-owned subsidiary of the Issuer, Suntec Singapore comprises a team of highly driven and dedicated professionals with extensive local, regional and international experience in managing and hosting world-class events.

SSCEC has been recognised as the “World’s Leading Meetings and Conference Centre” with the perfect location, flexible spaces and cutting-edge technology. With 42,000 sqm of versatile event space, free high-speed WiFi, digital signage, an excellent range of culinary choices and a dedicated team of service experts, this award-winning facility can cater to a wide range of event types while maintaining consistent quality across the board.

The SSCEC is ideally located in Singapore’s Central Business District and only 20 minutes from Changi International Airport. It offers direct access to 6 five-star hotels, 3,100 parking spaces, 1,000 retail outlets, 300 restaurants and a world-class performing arts centre.

Suntec International

Suntec International is a wholly-owned subsidiary of the Issuer which provides a wide portfolio of services including but not limited to venue management, franchising and brand transfer opportunities as well as consultancy services, pre-opening and post-opening services specifically designed for the MICE and venue management industries. Leveraging on the expertise and success of the award-winning SSCEC, resident experts provide custom-designed solutions for clients by drawing upon their market knowledge and years of experience and success.

4. BUSINESS AND GROWTH STRATEGIES

(a) REITS: Strong multi-asset class and multi-jurisdiction platform

The REIT division is expected to stay the course with a key focus on maintaining a prudent capital structure whilst pursuing good acquisition and divestment opportunities to create value and deliver stable and sustainable returns to unitholders. In addition, the Group will continue to employ active asset enhancement strategies in driving the performance of its managed properties to add long-term value. These include, but are not limited to, asset enhancement initiatives (“**AEIs**”), repositioning and rebranding, and active leasing strategies.

Creating value for the REIT unitholders will generate sustainable growth in REIT management fee earnings, which forms a core part of the recurring earnings base for the Group.

The Group will also build on its strong track record and expertise in REIT management to seek opportunities to further grow the platform through the establishment of new public-listed or private REITs in new asset classes, new markets and jurisdictions.

(b) Private Funds: Raise new capital and broaden product offering

ARA Private Funds has grown significantly both in breadth and depth since 2007 to comprise approximately one-third of the Group's AUM as at 30 September 2017. It has established various platforms bearing different investment strategies which cater to various investors' needs, with a growing track record in managing approximately US\$9.0 billion of retail, office, residential and mixed-use assets across the Asia Pacific.

With the appropriate investment strategy that meets clients' needs, ARA Private Funds integrates the experience and resources of its team of professionals to achieve long-term returns for its investors. Combining a fundamental, value-oriented investment approach with independent research and insights, it seeks to identify high quality, well-located properties with sustainable income and potential for long-term capital appreciation through enhancing the value of each asset.

The Group will continue to leverage on its strategic partnerships with stakeholders and expand industry relationships to raise new capital across existing or new platforms, in tandem with the pursuit of various growth avenues including expanding its suite of private real estate funds and joint venture vehicles with different strategies across various geographies thereby leading to a growing base of recurring income.

ARA Private Funds is expected to embark on initiatives in building an infrastructure funds management platform, a new business unit within the broader ARA group underpinned by a team of experienced infrastructure investment professionals with a track-record of successfully originating, acquiring and managing infrastructure assets globally. Intended to be distinct yet complementary to ARA Private Funds' suite of real estate product offerings, it would better-position the group to tap opportunities in global infrastructure investments, particularly in the advanced markets of Europe and the rapidly developing economies of Asia.

(c) Country Desks: Strengthen presence in the Asia Pacific region

The Group's Country Desks (China, Australia, South Korea, Malaysia and Japan) were established with the aim of scaling its integrated business model by tapping the capital originating from these key markets in the Asia Pacific for potential real estate investments within their respective markets and as outbound investments. Such investment and capital raising opportunities both onshore and offshore across these markets would support the future growth in the Group's funds platform, in addition to strengthening the Group's presence in the Asia Pacific region.

The Group will continue to support and further develop the Country Desks in building a pole position in their respective markets, ultimately contributing towards an overall growth for the Group.

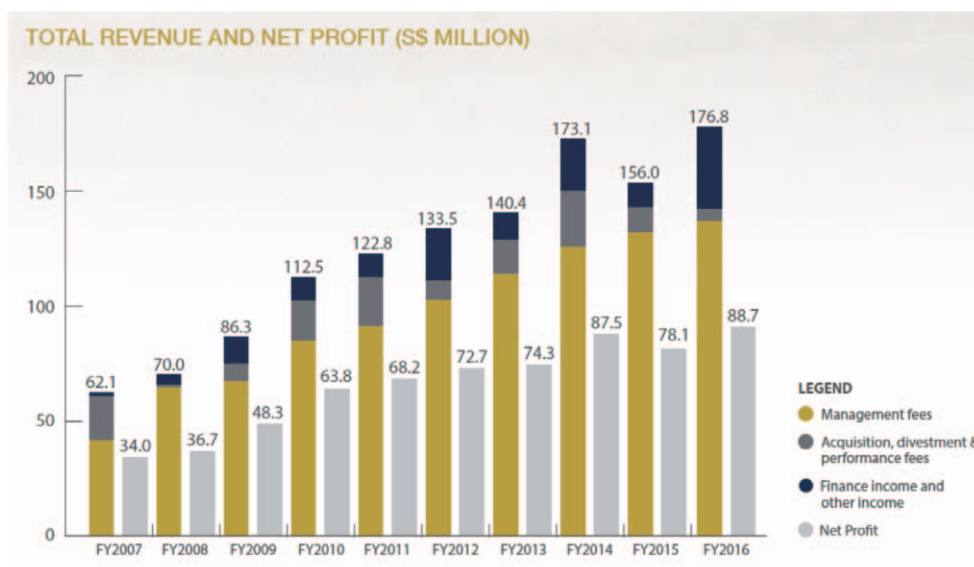
5. COMPETITIVE STRENGTHS

(a) Strong track record in REITs and private real estate fund management

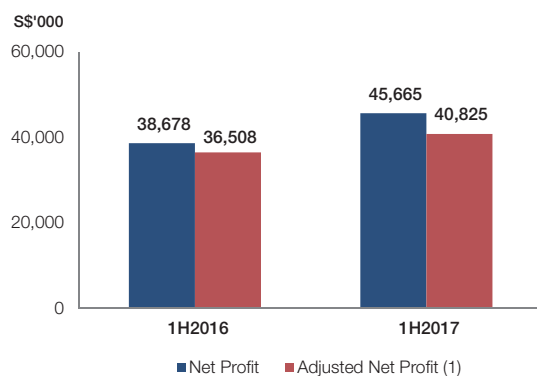
The Issuer is a premier integrated real estate fund manager with extensive expertise and experience investing and managing a wide range of real estate classes in REITs and private real estate funds.

The Group's disciplined, team-based approach in investment analysis, capital management coupled with its rigorous risk management framework has earned it a track record of successful fund management since 2002. The Group has over time, built a diverse suite of REITs and private real estate funds, as well as a broad investor base, comprising public and private pension funds, sovereign wealth funds, endowment funds, global institutional investors and high net-worth clients.

With the successful execution of various business expansion initiatives in driving growth, the Group's profits and revenue have been rising steadily. The tables below show the Group's total revenue and net profits from FY2007 to FY2016 and for 1H2017 and 1H2016:

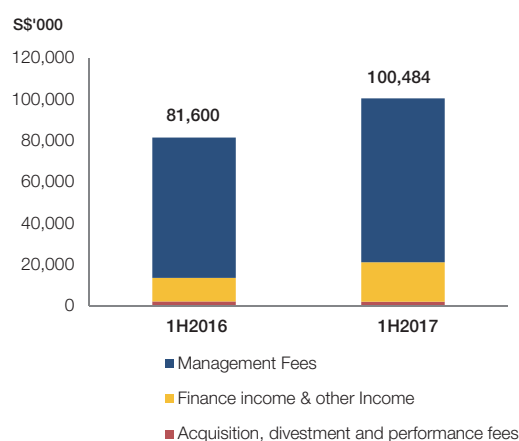


Net Profit and Adjusted Net Profit

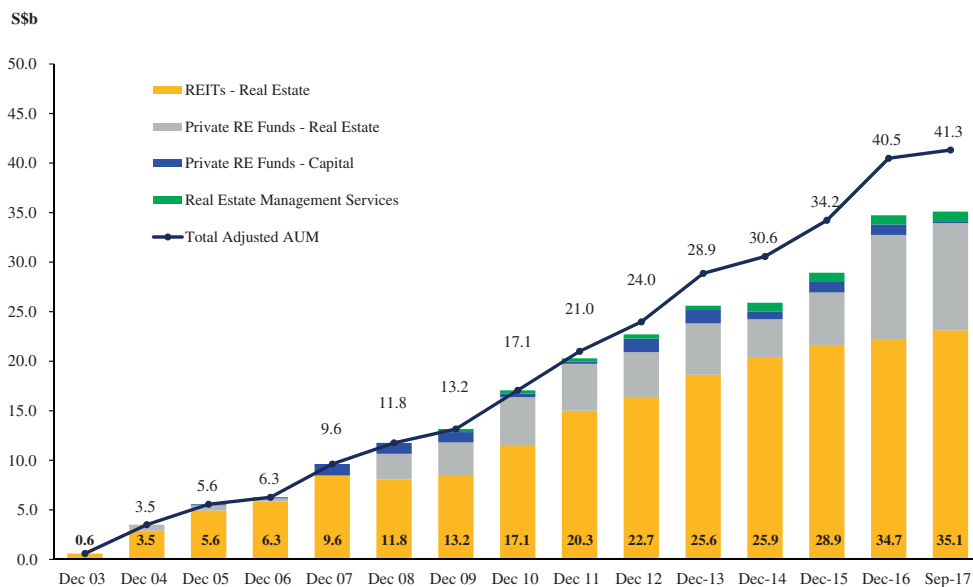


(1) Adjusted Net Profit refers to profit attributable to equity holders of the Company excluding one off adjustments comprising: (i) acquisition, divestment and performance fees; (ii) gain/(loss) on fair valuation/disposal of financial assets; (iii) gain/(loss) on disposal of investments; (iv) impairment on available-for-sale financial assets; (v) performance-based bonuses; and (vi) any other income/expense deemed non-recurrent.

Total Revenue



Since its establishment, the Group's AUM has also grown steadily to S\$35.1 billion as at 30 September 2017. The table below sets out the Group's AUM by business segment from December 2003 to September 2017.



Note: Total Adjusted AUM reflects the annual Group AUM before accounting for the effects of divestments

(b) Well-diversified asset management platform and growing investor base across an expanding geographical footprint

The Group has built a strong suite of REITs and private real estate funds that are invested in a diverse portfolio of properties covering office, retail, logistics/industrial, hospitality and residential sectors in the Asia Pacific region. The Group’s business synergies and management expertise across assets classes and regions also allows the Group to create value in customising products to cater to the investment needs of clients.

As at 30 September 2017, the Group managed over 90 properties across 20 cities in the Asia Pacific region.



(c) Investor-cum-operator approach

The Group has distinguished itself with its unique investor-cum-operator approach which gives it the capability to create value throughout the entire real estate value chain. In addition to holding stakes in the REITs and private funds which the Group manages, the Group also provides bespoke property management services.

Its in-house property management arm is complementary to the REIT and Private Funds business segments in providing the integral support of property management of properties managed by the Group. The close collaboration between asset managers and property managers in areas of active leasing management, strengthening of tenant relations and implementation of numerous asset enhancement initiatives in China, Malaysia and Singapore is one of the Issuer's strong attributes.

(d) Established networks and long-term strategic partnerships

The Group has built an extensive network and nurtured strong partnerships which it hopes to leverage upon to achieve the next phase of growth.

In 2013, the Issuer entered into a strategic alliance with STC, one of the oldest publicly-listed companies in Singapore, marking yet another milestone for the Group as it embarked on an expanded long-term partnership with Cheung Kong and STC. The combined partnership of Cheung Kong and STC, both well-reputed as premier business groups in Asia, have underpinned the Group's expanded business network reach in the Asia Pacific region.

In 2017, the Issuer was privatised by a consortium led by affiliates of Mr John Lim, STC and Cheung Kong with new partners, Warburg Pincus, LLC and China's AVIC Trust Co., Ltd, via a scheme of arrangement.

The new partnership with Warburg Pincus and AVIC Trust is expected to provide the Issuer with an increased access to a global network of investor relationships as well as key access to the Chinese capital markets and other business opportunities in China through AVIC Trust's unique distribution capability in China.

These strategic partnerships together with the deepening relationships with the Issuer's investors, business partners and stakeholders will underpin the Group's efforts towards achieving its growth objectives and maximising the scalability of the business model in the long term.

(e) Experienced and professional management

The Group is led by experienced professionals in the real estate industry and various other industries. Its key management personnel have in-depth knowledge and experience in the real-estate field, as well as in fields such as finance and accounting, engineering, and legal, and have won various awards throughout the past decade. For more information on the management of the Group, please refer to the section "Board of Directors and Management Team".

Human capital is an invaluable and integral part of its business. As at 30 September 2017, it has approximately 1,300 staff in 20 cities across the Asia Pacific from diverse backgrounds and age groups around the world. The Group strives to be an employer of choice to attract the best talent with the right skill sets. The Group values and promotes inclusive workplace, with a strong emphasis on human resource policies which promote fairness, equality of opportunity, continuing personal development, mutual trust and teamwork.

In recognition of the Group's enduring efforts towards strong corporate governance and risk management practices, the Issuer was ranked 28th (top 4%) on the Governance & Transparency Index ("**GTI**") among 666 SGX listed companies in 2016, and other notable awards garnered during the year included "Real Estate Fund Manager of the year — 2016 Fund Elite" by Corporate Vision Magazine and "Best Integrated Real Estate Fund Manager — Asia" at the Build 2016 Real Estate & Property Awards, in addition to the various awards and accolades in real estate funds management, investor relations and corporate governance attained across the Group. For the full list of awards received, please refer to the section "Awards and Accolades".

6. ENTERPRISE RISK MANAGEMENT ("**ERM**") FRAMEWORK

Management, in consultation with the Internal Auditors, had implemented the ARA ERM framework which lays out the governing policies and procedures and complies with recommendations of the 2012 Code. The ERM framework is benchmarked against the Committee of Sponsoring Organisations of the Treadway Commission (i.e. "**COSO Model**") which is designed to manage the Group's risks and its internal control system, so as to provide reasonable assurance on safeguarding of assets, maintenance of reliable and proper accounting records, compliance with relevant legislations and against material misstatement of losses.

The Group's ERM framework is approved by the Board and is administered by the Risk Management Committee (the "**RMC**"), which identifies, evaluates and reports the risks to the Board. The RMC comprises the Group CEO, Group CFO, Legal Counsel and Head of Group Risk Management & Internal Audit Division (as an independent advisory role) and conducts monthly internal meetings.

As a risk management process, the RMC identifies the strategic, operational, financial, compliance and information technology risks faced by the various business units. The RMC works with the business units to set out the appropriate mitigating actions and monitoring mechanisms to respond to these risks and changes within the Group, as well as the external business environment. The management of these risks are delegated to the business units' CEOs and Division Heads, who assume ownership and day-to-day management of these risks.

The Group's Risk Profiles ("**GRPs**") are reported to the Board half-yearly by the RMC in assessing and managing the key risks. The GRPs highlight the changes in risk assessment, quantitative and qualitative factors affecting the inherent risk levels and effectiveness of mitigating controls supporting the residual risks, within the risk appetite or tolerance approved by the Board. The GRPs are audited by the Internal Auditors annually and they report to the Board to ascertain whether the risk management process remains effective and the internal controls are in place to manage the risks.

The risk tolerance is based on a quantitative measure as a percentage of the Group's profits, and qualitative measures such as zero tolerance to fraud, non-compliance with regulations and lack of ethics & integrity which have adverse impact on the Group's reputation. The key risks highlighted in the GRPs include strategic, human capital, conflicts of interest, financial, business continuity and compliance risks.

The strategic risks relate to sustainable long-term growth in establishing new REITs, private real estate funds and real estate management services within the Group. There are mitigating controls put in place to assess the background of new business partners, evaluate the feasibility of projects, carry out necessary due diligence on the transactions and assets, as well as obtain approval from the Board.

Human capital risk management is a key component for the continued success and growth of the business, and the Group has established a succession plan for all the senior management positions. The suitability of internal successors is assessed by the Remuneration Committee and is benchmarked against external prospects. In addition, efforts are taken to enhance training and development, establish competitive remuneration and rewards based on key performance indicators, support work-life balance and create a healthy workplace.

The Group maintains strict policies and procedures to address any potential conflict risks that may arise from its businesses. A Deal Allocation Committee has been established to minimise any potential conflicts of interest and ensure that an effective process is in place for the allocation of deals among the various REITs and private real estate funds which the Group manages. The Deal Allocation Committee considers the key investment objectives and criteria of each REIT and Private Real Estate Funds when reviewing and allocating deals received by the Group as well as deals received directly by the various REITs or private real estate funds.

In general, the REITs managed by the Group would only invest in core investments within their respective sector(s) and geographical region(s), confined by the regulated leverage ratios. The REITs focus on properties that have stable income, high occupancies and increasing distribution yields to Unitholders. These properties offer potential for long-term growth through repositioning, capital expenditure and/or continual leasing strategy.

In comparison, the private real estate funds managed by the Group invest in opportunistic and strategic (or value-add) investments, which usually entail higher risks and higher risk-adjusted returns. The private real estate funds focus on properties which offer opportunities for development/re-development, asset enhancement and/or lease restructuring, to achieve their targeted internal rate of returns within the limited fund life. All prospective deal information is submitted by the respective REITs or private real estate funds to the Head of Group Risk Management & Internal Audit Division to assess whether there is any potential conflict of interest (e.g. overlapping investment objectives and criteria). If the Head of Group Risk Management & Internal Audit Division forms a preliminary view that a potential conflict of interest could arise, the deal will be referred to the Deal Allocation Committee. The Deal Allocation Committee further evaluates the deal and determines which REIT or private real estate funds the deal should be allocated to, taking into account circumstances that best fit the investment objectives and criteria of the REITs or private real estate funds, or rotation among the REITs or private real estate funds. All reviews carried out by the Head of Group Risk Management & Internal Audit Division are documented and submitted to the Deal Allocation Committee regularly and these records are subject to an annual audit by an external international accounting firm which independently reports to the Board.

The Group is exposed to credit, liquidity and market risks arising from its business, as reported in the audited financial statements for the year. Credit risk is the risk of financial loss if any counterparty fails to meet its contractual obligations. This arises principally from the Group's receivables and investment securities which are monitored on an ongoing basis. These risks are limited as the receivables relate mainly to trade debtors and accrued fees due from REITs and private real estate funds, whereas financial assets are placed with regulated financial institutions of high credit quality and ratings and are closely monitored regularly.

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach is to ensure, as far as possible, sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions in its cash-flow projections. The Group generally has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of its financial obligations. In addition, the Group maintains several lines of revolving credit facilities and overdraft facilities, and has sufficient capacity to tap available funds from the debt or equity markets for its growth.

Market risk is the risk relating to changes in market prices, such as interest rates, foreign exchange rates and equity prices which will affect the Group's income or the value of its holdings of financial instruments or assets. The Group closely monitors its long-term quoted and unquoted financial assets, which relate to strategic units held in its managed REITs and seed capital investments. These financial assets are measured at fair values and subsequent changes in their fair values are recognised in the fair value reserves in equity. The Group also receives REIT units from its management fees and these are classified as quoted financial assets held-for-trading. The Group regularly reviews its mark-to-market assessment of these REIT units for appropriate disposal outside the applicable moratorium or black-out periods.

Exposure to foreign currency risk is monitored on an on-going basis as the Group endeavours to keep the net exposure to an acceptable level. This exposure arises mainly from the management fee income received in foreign currencies, offset by the contribution of seed capital investments in the same foreign currencies. Where required, the Group enters into forward contracts to hedge its net exposure position. The Group's exposure to interest rate risks mainly relates to its interest bearing financial assets and debt obligations. The Group manages its interest rate exposure by tracking interest rates movement closely and maintaining a debt portfolio with appropriate fixed and/or floating rates of interests. Where applicable, plain vanilla interest rate swaps are used to hedge its interest rate exposure for specific underlying debt obligations.

A Group-wide Business Continuity Plan ("**BCP**") had been established to mitigate the business continuity risk of interruptions or catastrophic loss to its operations. One of the BCP components includes an Information Technology Disaster Recovery Plan ("**IT DRP**"), which focuses on the continuation of technology infrastructure that is critical to the Group during any unexpected disruptive event. The IT DRP contains a documented set of procedures to be followed before, during and after an event of a disaster. The primary objective is to minimise downtime and data loss, while ensuring a level of stability and orderly recovery. The Group carries out an annual exercise to simulate the scenario of a disaster, where participants are relocated to multiple offsite facilities with readily access to IT systems and restored backup database.

The Group comprises listed and unlisted entities being regulated in several jurisdictions, which impact the Group's business and market conditions. At the Group level, the corporate office works closely with external legal professionals and internal legal and compliance managers of the business units on legal and regulation matters, and changes to regulatory requirements. Adopting a proactive approach, the corporate office regularly participates in consultations with respective regulatory authorities and provides feedback on the regulatory regimes. The control self-assessment is internally conducted on specific compliance areas to evaluate the adequacy and effectiveness of the internal controls addressing compliance risks, and is annually certified by Management.

7. AWARDS AND ACCOLADES

The Group, along with its REITs and private real estate funds division, have garnered numerous awards and accolades in the past decade, a strong testament to its achievements in real estate funds management and strong risk management framework.

Notably, in 2016, the Issuer was ranked 28th (top 4%) on the GTI among 666 SGX listed companies. The GTI is jointly published annually by CPA Australia and NUS Business School's Centre for Governance, Institutions and Organisations based on their assessment in areas relating to the Board of Directors, accountability, audit, remuneration, corporate transparency and investor relations. In 2017, other notable awards garnered during the year included "Real Estate Fund Manager of the Year — 2017 — Asia Pacific" at the BUILD Real Estate Property Awards and "Firm of the Year, China" at the PERE Global Awards 2016.

The following table lists the various awards and accolades conferred on the Group in 2016 and 2017:

2017	
ARA Asset Management Limited	<ul style="list-style-type: none"> • Firm of the Year, China — PERE Global Awards 2016 • Industry Figure of the Year, Asia (John Lim) — PERE Global Awards 2016 • Real Estate Fund Manager of the Year 2017 — Asia Pacific - BUILD Awards
Fortune REIT	<ul style="list-style-type: none"> • Best Performing Stock — The Edge Singapore Billion Dollar Club Corporate Awards, The Edge Singapore • U Green Awards — Excellence of Environmental Contributions, U Magazine • 2017 International ARC Awards, MerComm Inc. — Gold award for Cover Photo/Design: Real Estate Management • 2017 International ARC Awards, MerComm Inc. — Bronze Award for Printing and Production: REIT: Retail/Shopping Centres • 2017 International ARC Awards, MerComm Inc. — Bronze Award for Printing and Production: Real Estate Management • Hong Kong Retail Category (Platinum) — Asia Pacific Best of the Breeds REITs Awards 2017, The Pinnacle Group International • 2016 Vision Awards, League of American Communications Professionals LLC — Platinum Award (Real Estate/REIT Category) • 2016 Vision Awards, League of American Communications Professionals LLC — Top 100 Annual Reports Worldwide • 2016 Vision Awards, League of American Communications Professionals LLC — Top 80 Annual Reports in the Asia Pacific Region • 2016 Vision Awards, League of American Communications Professionals LLC — Top 40 Chinese Annual Reports • 2016 Vision Awards, League of American Communications Professionals LLC — Best Report Narrative in the Asia Pacific Region — Gold • Best IR Company (Mid Cap) — HKIRA 3rd Investor Relations Awards, Hong Kong Investor Relations Association • Best Investor Meeting (Mid Cap) — HKIRA 3rd Investor Relations Awards, Hong Kong Investor Relations Association • Best IR Presentation Collaterals (Mid Cap) — HKIRA 3rd Investor Relations Awards, Hong Kong Investor Relations Association

	<ul style="list-style-type: none"> • Best Managed Company — Asia’s Best Companies Poll 2017 (Hong Kong), FinanceAsia • Best at Investor Relations — Asia’s Best Companies Poll 2017 (Hong Kong), FinanceAsia • Best CEO — Ms Justina Chiu — Asia’s Best Companies Poll 2017 (Hong Kong), FinanceAsia • Best Committed to Corporate Governance — Asia’s Best Companies Poll 2017 (Hong Kong), FinanceAsia • Best at Corporate Social Responsibility — Asia’s Best Companies Poll 2017 (Hong Kong), FinanceAsia • Triple Gold Award, Hong Kong Smoke-free Leading Company Awards 2016, Hong Kong Council of Smoking and Health • CarbonCare® ESG Label, CarbonCare InnoLab • The Listed Enterprise Excellence Awards 2017 — Corporate Governance Award, CAPITAL WEEKLY Magazine • Outstanding Listed Company Award 2017, The Hong Kong Institute of Financial Analysts and Professional Commentators Limited • Brilliance in Licensing Related — Experiential Marketing Brilliance Awards 2017, Metro Finance • 5 Years Plus Caring Company Logo, Hong Kong Council of Social Service
Prosperity REIT	<ul style="list-style-type: none"> • Best IR in Corporate Transaction (Small Cap) — HKIRA 3rd Investor Relations Awards, Hong Kong Investor Relations Association • Certificate in recognition of its contribution and participation in volunteer activities — Agency for Volunteer Service • Caring Ambassadors, Hong Kong Council of Social Service • Outstanding Corporate Citizenship Award — Merit (SME Category), Hong Kong Productivity Council
Suntec REIT	<ul style="list-style-type: none"> • Retail and Office Cateogry (Platinum) — Asia Pacific Best of the Breeds REITs Awards 2017, The Pinnacle Group International
Cache Logistics Trust	<ul style="list-style-type: none"> • Industrial Category (Gold) — Asia Pacific Best of the Breeds REITs Awards 2017, The Pinnacle Group International

Hui Xian REIT	<ul style="list-style-type: none"> • Silver Award — Annual Report Competition — 2016 Vision Awards, League of American Communications Professionals LLC • Honours for Interior Design — Real Estate Management — 2017 International ARC Awards, MerComm Inc. • Honours for Printing and Production — Real Estate Management — 2017 International ARC Awards, MerComm Inc. • Honours for Cover Photo — Real Estate Management — 2017 International ARC Awards, MerComm Inc.
ARA Korea	<ul style="list-style-type: none"> • Award from Minister of Land Infrastructure and Transport with citation for contribution to Korean REITs industry • CEO of the Year Award — CEO Monthly • Real Estate 100 Award — Wealth & Financial International
ARA Private Funds	<ul style="list-style-type: none"> • Best Deal of the Year, China (Century Link) — RICS China Awards 2017, Royal Institute of Chartered Surveyors
Suntec Singapore	<ul style="list-style-type: none"> • Best Convention and Exhibition Centre — Editors' Choice Award 2017, CEI Asia • NS Mark (Gold), Ministry of Defence • SG Mark 2017 Special Mention for "The Big Picture" — Singapore Good Design Mark Awards, Design Business Chamber Singapore • Exhibition Excellence Award — Top Asian Venue 2017, Exhibition Showcase Magazine • Asia's Leading Meetings and Conference Centre Award — 24th World Travel Awards 2017 • Patron of the Arts Award 2017, National Arts Council • Asia's Best Employer Brand Award 2017 • Best Corporate MICE Venue — (Large Scale, above 1,000 pax), HRM Asia Readers' Choice Awards 2017 • Outstanding Venue Award (Second Place), AFECA Awards 2017 • Singapore Health Award 2017, Health Promotion Board • Best Training Venue, Human Resources Vendors of The Year 2017

2016

ARA Asset Management Limited	<ul style="list-style-type: none">• Top 4% of 666 Listed Companies in Singapore on the Governance & Transparency Index• (Runner Up) Most Transparent Company Award (Foreign Listings Category), SIAS Investors' Choice Awards 2016• Real Estate Fund Manager of the Year, 2016 Fund Elite• Best Integrated Real Estate Fund Manager — Asia, Build 2016 Real Estate & Property Awards• (Honours) Annual Report (print: Real Estate Investment), 2016 Galaxy Awards
Fortune REIT	<ul style="list-style-type: none">• Asia's Best Companies Poll 2016 (Hong Kong) Finance Asia<ul style="list-style-type: none">○ Best at Investor Relations○ Best CEO○ No. 3 Most Committed to Corporate Governance○ No. 2 Best Managed Companies○ Best Mid-Cap Company• Best Retail REIT in Asia, REITs Pinnacle Awards 2016• Best Investment Value Award for Listed Companies 2016, BIVA Award• Outstanding Listed Company Award, The Hong Kong Institute of Financial Analysts and Professional Commentators Limited• HKIRA 2nd Investor Relations Awards<ul style="list-style-type: none">○ Best IR Company (Mid Cap)○ Best IR by CEO (Mid Cap)○ Best IR Presentation Collaterals (Mid Cap)○ Best IRO (Mid Cap)• Excellence of Environmental Contributions, U Green Awards 2015/2016• 5 Years Plus Caring Company Logo, Hong Kong Council of Social Service• Quam Investor Relations Awards 2015 (Main Board Category)• Best Investment Value Award, Top 100 Hong Kong Awards• 2016 International ARC Awards<ul style="list-style-type: none">○ Grand Award for Infographics○ Gold Award for Printing and Production○ Gold Award for Infographics○ Gold Award for Cover Photo / Design○ Gold Award for Financial Data

	<ul style="list-style-type: none"> • 2015 Vision Awards <ul style="list-style-type: none"> ○ Gold Award (Real Estate / REIT Category) ○ Top 50 Annual Reports in the Asia Pacific Region ○ Top 50 Chinese Annual Reports • Mercury Excellence Awards <ul style="list-style-type: none"> ○ Bronze Award — Overall Presentation: REIT, 2015/16 ○ Bronze Award — Cover Design: Special Treatments ○ Honors — Interior Design: Special Production Techniques
Prosperity REIT	<ul style="list-style-type: none"> • Best Small-Cap Company, Asia's Best Managed Companies Poll 2016 (Hong Kong), Finance Asia • Best Landscape 2016 — Environmental Efficiency Award — Prosperity Place, Leisure and Cultural Services Department of Hong Kong Government • Best Landscape 2016 — Gold Award — Prosperity Place, Leisure and Cultural Services Department of Hong Kong Government • 5 Years Plus Caring Company Logo, Hong Kong Council of Social Service • Excellence in Facility Management — Excellence Award (Office Building), The Hong Kong Institute of Facility Management • Certificate of Excellence, Green Achievement Award, HSBC Living Business • Certificate of Merit, Community Engagement Award, HSBC Living Business
Cache Logistics Trust	<ul style="list-style-type: none"> • Best Investor Relations (REITs & Business Trusts) — Bronze Award, Singapore Corporate Awards 2016
Hui Xian REIT	<ul style="list-style-type: none"> • 2015 Vision Awards <ul style="list-style-type: none"> ○ Silver Award for Annual Report Competition ○ Annual Report Competition #59 of Top 80 Annual Reports in the Asia Pacific Region ○ Annual Report Competition Top 50 Chinese Annual Reports of 2015 • ARC 30th Academy Awards of Annual Report Honors — 2015 Annual Report, International ARC Awards • 2015-2016 Good MPF Employer, The Mandatory Provident Fund Schemes Authority • 2016 Best Real Estate Investment Trust (Hong Kong), Wealth & Finance Magazine

ARA Korea	<ul style="list-style-type: none"> • REIT Manager of the Year 2016, Seoul Economic Daily
ARA Private Funds	<ul style="list-style-type: none"> • Executive of the Year — Financial Services, SBR Management Excellence Awards 2016 • Best Cross-Border Cash Management Solution (ARA China Investment Partners), Standard Chartered Bank (China) • Asia Pacific Property Awards — Retail Interior — Klang Parade, International Property Media • Top 10 Innovative Commercial New Brand of Beijing Roosevelt Plaza, Beijing Chamber of Commerce
APM Property Management	<ul style="list-style-type: none"> • Best Loyalty Program — Retailer (Bronze), Loyalty & Engagement Awards 2016 • Loyalty Program of the Year (Silver), Loyalty & Engagement Awards 2016 • Best Dining Mall (Central South), Singapore's Best Malls, Her World and Her World Plus • Excellent Service Award 2016, Service Excellence Awards 2016, Singapore Retail Association • 1st Runner Up (Public Industrial Building), Singapore-Global Fire Fighters and Paramedics Challenge 2016 • Fire Excellence Award 2016, Suntec City Mall and Office Towers, National Fire and Civil Emergency Preparedness Council & Singapore Civil Defence Force • Cluster Award, Biennial National Safety & Security Watch Group (SSWG) Cluster Award
Suntec Singapore	<ul style="list-style-type: none"> • Asia Pacific Entrepreneurship Award — Hospitality, Food Service & Tourism Industry, Asia Pacific Entrepreneurship Awards 2016 • Asia's Leading Meetings & Conference Centre Award, World Travel Awards 2016 • Best Corporate MICE Venue, Readers Choice Awards 2016 • Exhibition Venue of the Year, Asia Pacific MICE Awards 2016 • Editors' Choice (Convention and Exhibition Centre), Editors' Choice Award 2016 • Best Training Venue (Gold), HR Vendors of the Year Awards 2016 • Best Companies to Work For in Singapore, Best Companies to Work For in Asia 2016 Awards • FHA Culinary Challenge (Individual Gold), Food and Hotel Asia 2016 • Patron of the Arts Award 2016, National Arts Council • U SAFE Sparks Award, U SAFE Awards 2016 • National Safety & Security Watch Group Cluster Award, Singapore Police Force and Singapore Civil Defence Force

- Star Customer Award, Singapore Civil Defence Force
- 2016 Certificate of Excellence, TripAdvisor
- Best Convention and Exhibition Centre, 27th Annual TTG Travel Awards 2016

8. BOARD OF DIRECTORS AND MANAGEMENT TEAM

THE BOARD OF DIRECTORS OF ARA

Dr Chiu Kwok Hung Justin ***Director***

Dr Chiu Kwok Hung Justin is a Director of ARA. He is a Non-Executive Director (stepped down as chairman but remains as Non-Executive Director since 1 January 2017) of ARA Asset Management (Fortune) Limited (the manager of Fortune REIT), and the chairman and non-executive director of ARA Asset Management (Prosperity) Limited (the manager of Prosperity REIT). Fortune REIT is listed on the HKEx and SGX-ST while Prosperity REIT is listed on the Main Board of HKEx. Dr Chiu is also a Director of ARA Fund Management (Asia Dragon) Limited (the manager of the ADF I). Dr Chiu was previously the Chairman and Non-Executive Director of ARA Trust Management (Suntec) Limited (the manager of Suntec REIT, listed in Singapore, resigned on 17 April 2014). Dr Chiu is a member of the standing committee of the 12th Shanghai Committee of the Chinese People's Political Consultative Conference of the People's Republic of China, a council member and a fellow of The Hong Kong Institute of Directors, a fellow of the Hong Kong Institute of Real Estate Administrators, a member of the Board of Governors of Hong Kong Baptist University Foundation, an Honorary Associate Member of Business of Trent University, Canada, a Senior Visiting Fellow of the Department of Land Economy at the University of Cambridge and an Honorary Professor of School of Pharmaceutical Sciences of Sun Yat-Sen University.

Dr Chiu has more than 30 years of international experience in real estate in Hong Kong and various countries and is one of the most respected professionals in the property industry in Asia. Dr Chiu joined Cheung Kong Group in 1997 and is an Executive Director and member of the executive committee of CK Asset Holdings Limited (a company listed on HKEx), heading the real estate sales, marketing and property management teams. Prior to joining Cheung Kong Group, Dr Chiu was with Sino Land Company Limited from 1994 to 1997 and Hang Lung Development Company, Limited (now known as Hang Lung Group Limited) from 1979 to 1994, responsible for the leasing and property management in both companies. Both Sino Land Company Limited and Hang Lung Group Limited are listed on the Main Board of HKEx.

Dr Chiu holds Bachelor degrees in Sociology and Economics from Trent University in Ontario, Canada. Dr Chiu was conferred Doctor of Social Sciences, honoris causa, by the Hong Kong Baptist University. Dr Chiu was also conferred Doctor of Law, honoris causa, by Trent University in Ontario, Canada.

Lim Hwee Chiang John ***Group Chief Executive Officer and Director***

Mr John Lim is the Group Chief Executive Officer and Director of ARA. He is a Non-Executive Director of ARA Asset Management (Fortune) Limited, ARA Trust Management (Suntec) Limited, ARA Asset Management (Prosperity) Limited, ARA-CWT Trust Management (Cache) Limited and Hui Xian Asset Management Limited. Mr Lim is also the Chairman of APM Property Management Pte. Ltd., Suntec Singapore International Convention & Exhibition Services Pte. Ltd. and the management council of The Management Corporation Strata Title Plan No. 2197 (Suntec City). In addition, Mr Lim is an independent director and the Chairman of the remuneration committee of Singapore-listed Teckwah Industrial Corporation Limited, the

Chairman of the property management committee of the Singapore Chinese Chamber of Commerce & Industry, the Managing Director of Chinese Chamber Realty Private Limited and a Director of the Financial Board of the Singapore Chinese Chamber of Commerce. He is also Chairman of the Asia Pacific Real Estate Association and the Consultative Committee to the Department of Real Estate, National University of Singapore.

Mr Lim has more than 30 years of experience in the real estate industry, and has received many notable corporate awards. These include the PERE Global Awards 2016 Industry Figure of the Year: Asia, Ernst & Young Entrepreneur Of the Year Singapore 2012, Ernst & Young Entrepreneur Of the Year — Financial Services 2012 and the Outstanding CEO of the Year 2011 at the Singapore Business Awards 2012. Mr Lim, along with the Board of Directors of ARA, is also a recipient of the prestigious Best Managed Board (Gold) Award at the Singapore Corporate Awards 2012. In 2017, he was conferred the Public Service Medal (PBM) by the President of Singapore in recognition of his contributions to the community.

Mr Lim holds a Bachelor of Engineering (First Class Honours) in Mechanical Engineering, a Master of Science in Industrial Engineering, as well as a Diploma in Business Administration, each from the National University of Singapore.

Ellen Ng Hoi Ying

Director

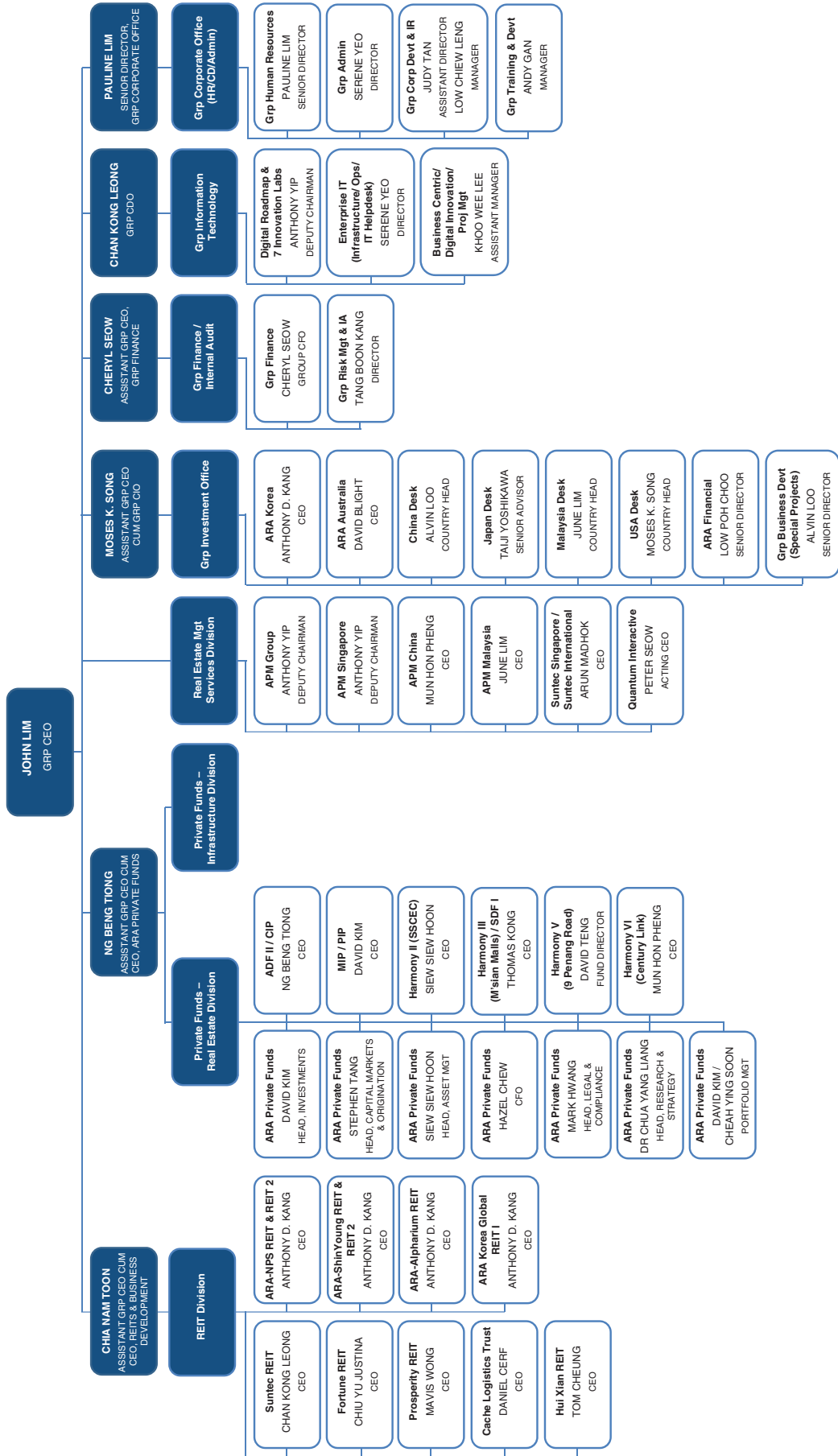
Ms Ellen Ng is a Director of ARA. Ms Ng joined Warburg Pincus in 2005 and currently serves as Managing Director and Partner. She is responsible for entity-level, programmatic joint venture and project-level investments across residential, commercial, industrial and other real estate sectors in China. Selective prior and current investments she has led include Red Star Macalline Furniture Group, Red Star Commercial Development, ARA, China Jinmao Property, Dongjiu Industrial Property, 21 Vianet Data Center JV, Kailong Asset Management, Jinmao Hotel REIT, Franshion Suzhou JV, Greentown, Times Property as well as other mixed use development projects, with total direct equity amount of over US\$2 billion.

Prior to joining Warburg Pincus, Ms Ng was with Merrill Lynch's Investment Banking Division focusing on corporate finance transactions across Asia.

Ms Ng graduated from the Wharton School of the University of Pennsylvania and is a CFA Charterholder.

MANAGEMENT TEAM

Experienced team with a proven track record



Ng Beng Tiong
Assistant Group Chief Executive Officer
ARA Asset Management Limited

Chief Executive Officer
ARA Private Funds
ARA Asia Dragon Fund II
ARA China Investment Partners

Mr Ng Beng Tiong is Assistant Group Chief Executive Officer of ARA cum Chief Executive Officer of ARA Private Funds. He oversees all the private real assets funds in the Group, and serves on the investment and executive committees of ARA Private Funds. He is also a member of the Group Business Development committee and a director of the holding company of APM, the property management arm of ARA.

Prior to joining the Group, Mr Ng was Finance Director of Low Keng Huat (Singapore) Ltd, a property, construction and hotel group listed on the SGX-ST, from 2003 to 2007. He was a Director of Stone Forest M&A Pte. Ltd., a mergers and acquisitions advisory company from 2002 to 2003 and Director of Corporate Planning and Business Development at Labroy Marine Limited, a shipping, shipbuilding and marine engineering company listed on the SGX-ST from 1997 to 2002. Mr Ng began his career with DBS Bank Ltd in 1989, initially as a corporate banker and subsequently as an investment banker.

Mr Ng holds a Master of Engineering (Software Engineering) (First Class Honours) from Imperial College, London. He is also a CFA Charterholder.

Moses K. Song
Assistant Group Chief Executive Officer
Group Chief Investment Officer
Country Head, USA
ARA Asset Management Limited

Mr Moses K. Song is Assistant Group Chief Executive Officer of ARA, responsible for leading the Group's general business expansion initiatives and overseeing the Group's local operations in Korea, Australia, Japan, Europe, US and new markets. He holds the concurrent appointment of Group Chief Investment Officer and heads ARA's Group Investment Office where his responsibilities include originating and managing new business partnerships, establishing and/or acquiring new investment management platforms and maintaining strategic investment capital relationships on behalf of the firm. Mr Song serves on the investment and executive committees of ARA Private Funds and is an Alternate Director to Mr Lim Hwee Chiang John on the board of ARA-CWT Trust Management (Cache) Limited. He is also an Executive Board Member of the Asian Association for Investors in Non-listed Real Estate Vehicles (ANREV).

Prior to joining the Group, Mr Song was a Principal and Chief Operating Officer at Lubert-Adler Asia Advisors Pte. Ltd., the Asia investment platform of United States-based real estate private equity firm Lubert-Adler Partners L.P., where he was responsible for North Asia investment opportunities and with Marathon Asset Management (Singapore) Pte. Ltd. as Managing Director responsible for real estate finance and investments in Asia. He was based in Hong Kong from 2004 to 2007 with Merrill Lynch (Asia Pacific) Ltd. as a director in the global commercial real estate group and Morgan Stanley Asia Ltd. as a vice-president of Morgan Stanley International Real Estate Funds. Mr Song began his career as a corporate and real estate finance attorney in the United States. He moved to Asia in 2000 as a seconded attorney to Morgan Stanley International Real Estate Funds in Tokyo, Japan and was appointed general counsel of Morgan Stanley's real estate asset management platform in Korea in 2001.

Mr Song holds a Juris Doctor from the Vanderbilt University School of Law and a Bachelor of Science in Economics from Centre College. He is a member of the State Bar of Texas (inactive status).

Cheryl Seow

Assistant Group Chief Executive Officer

Group Chief Financial Officer

ARA Asset Management Limited

Ms Cheryl Seow is Assistant Group Chief Executive Officer of ARA, overseeing the group finance and group risk management & internal audit functions. Ms Seow also serves on the investment committee of ARA Private Funds.

Prior to joining the Group, Ms Seow established and ran her own boutique consultancy firm providing accounting and consultancy services to small and medium enterprises. She had also held senior finance positions in various companies listed on the SGX-ST. She was the Deputy Financial Controller and Company Secretary of L.C. Development Ltd and was with Royal Sporting House and Lum Chang Holdings Limited. Ms Seow began her career with Deloitte Touche Tohmatsu, Singapore in 1988.

Ms Seow holds a Bachelor of Accountancy from the National University of Singapore and is a Chartered Accountant with the Institute of Singapore Chartered Accountants.

Chia Nam Toon

Assistant Group Chief Executive Officer

Chief Executive Officer, REITs & Business Development

ARA Asset Management Limited

Mr Chia Nam Toon is Assistant Group Chief Executive Officer and Chief Executive Officer of REITs & Business Development. He oversees the business and operations of the REITs Division and is responsible for growing existing REITs and developing new REITs across Asia, United States and Europe. He also collaborates with ARA's Group Investment Office on mergers and acquisitions.

Mr Chia has 35 years of work experience, with more than 10 years in the real estate industry. Prior to joining the Group, he was CEO of the manager of Ascendas REIT, one of Singapore's largest-listed REITs, from 2016 to 2017 and was responsible for its overall management and operations. Prior to that, he was the CFO of Ascendas-Singbridge from 2015 to 2016, providing strategic financial leadership for the Group. Prior to the merger between Ascendas and Singbridge, he held the position of Group Assistant CEO and CFO of Ascendas Group from 2006 to 2014, and oversaw Ascendas' corporate services functions which included Strategy Management, Communications, Legal & Corporate Secretariat, Enterprise Risk Management, Information Management and Finance.

Before joining Ascendas, Mr Chia was Chief Operating Officer and Finance Director with PEC Tech Group from 2004 to 2006. He previously held various positions with ICI Paints Asia Pacific and the ICI Group headquarters in London, Tioxide Asia Pacific, F&N Group Malaysia, KAB Group of Companies and Deloitte & Touche Malaysia.

Mr Chia is a Fellow of the Association of Chartered Certified Accountants UK (FCCA), a Fellow of the Institute of Singapore Chartered Accountants, and holds a Diploma in Commerce from Tunku Abdul Raman College, Malaysia.

Chan Kong Leong**Chief Executive Officer**

ARA Trust Management (Suntec) Limited, manager of Suntec REIT

Group Chief Digital Officer

ARA Asset Management Limited

Mr Chan Kong Leong is Chief Executive Officer and Executive Director of ARA Trust Management (Suntec) Limited. He is a Director of One Raffles Quay Pte. Ltd., Suntec Harmony Pte. Ltd. and Park Mall Pte. Ltd. Mr Chan is also a Partners' Representative of BFC Development LLP. Prior to this, he was the Chief Operating Officer of Suntec REIT and was responsible for all operational matters, including asset management, investment, finance, investor relations and strategic planning. Mr Chan is also Group Chief Digital Officer of the Group and drives its digital vision, strategies, policies, programmes and infrastructure.

Prior to joining the Group, Mr Chan was with the CapitaLand Group where he held senior management appointments including Senior Vice President, Head of Regional Investment, Asset & Fund Management of CapitaLand Mall Asia, Program Director of CAPITASTAR and Regional General Manager, West China.

Mr Chan has 19 years of private and public sector experience in managing investment, development, asset management, operations, strategic planning, stakeholder relations and corporate functions. He has held other senior management appointments in the last 13 years including Head of Corporate Finance, Investor Relations & Corporate Communications at GuocoLand Limited and Chief Operating Officer of Sembawang Kimtrans Ltd. Prior to his move to the private sector, Mr Chan was with the Singapore Economic Development Board where he was responsible for formulating economic engagement strategies and promoting economic linkages between Singapore and Indonesia.

Mr Chan graduated with a First Class Honours in Bachelor of Science in Building from the National University of Singapore. As the best graduate for the entire course of study, he was awarded the Lee Kuan Yew Gold Medal, the Sally Meyer Gold Medal and the Singapore Institute of Surveyors & Valuers Gold Medal. Mr Chan is also a CFA Charterholder.

Chiu Yu Justina**Chief Executive Officer**

ARA Asset Management (Fortune) Limited, manager of Fortune REIT

Ms Chiu Yu Justina is Chief Executive Officer and Executive Director of ARA Asset Management (Fortune) Limited. She is also Chairman of the Disclosures and Designated Committees. She is responsible for the overall performance and direction of Fortune REIT.

Prior to her current appointment, she was Deputy Chief Executive Officer of the manager responsible for day-to-day management of Fortune REIT from 2010 to 2015 and Chief Operating Officer of the manager overseeing strategic planning, investment, asset management and investor relations from 2009 to 2010.

Ms Chiu holds a Master of Science degree in Real Estate Economics and Finance, a Bachelor of Science in Accounting and Finance, a Postgraduate Certificate in Laws and a Postgraduate Diploma in Law. She is also a solicitor of the High Court of Hong Kong Special Administrative Region, a CFA Charterholder, a member of the American Institute of Certified Public Accountants and a member of the Royal Institute of Chartered Surveyors.

Mavis Wong**Chief Executive Officer**

ARA Asset Management (Prosperity) Limited, manager of Prosperity REIT

Ms Mavis Wong is Executive Director, Chief Executive Officer and a responsible officer of ARA Asset Management (Prosperity) Limited. Ms Wong is also Chairman of the Disclosures Committee and a member of the Designated (Finance) Committee. She has also led and/or been a key member of the investment and asset management team since Prosperity REIT was listed in December 2005.

Prior to her appointment as Acting Chief Executive Officer and subsequently Chief Executive Officer on 1 January 2013, Ms Wong was Director, Investment and Asset Management overseeing the business plans of Prosperity REIT's properties including leasing, property management and asset enhancement strategies and was responsible for investment strategy and policy.

Ms Wong has over 20 years of real estate industry experience. Prior to joining the Group, she worked in the leasing, marketing and asset/property management departments of various developers, management companies and corporations including Cheung Kong (Holdings) Limited, New World Development Company Limited, Jardine Matheson & Co., Limited, Goodwill Management Limited (a wholly-owned subsidiary of Henderson Land Development Company Limited) and Yaohan Department Store (HK) Limited. Ms Wong is a member of The Hong Kong Institute of Directors.

Ms Wong holds a Bachelor of Arts from the Chinese University of Hong Kong, a Postgraduate Certification in HK Law from City University of Hong Kong and a Diploma in Property Development from SPACE, University of Hong Kong.

Daniel Cerf**Chief Executive Officer**

ARA-CWT Trust Management (Cache) Limited, manager of Cache Logistics Trust

Mr Daniel Cerf is Chief Executive Officer of ARA-CWT Trust Management (Cache) Limited.

Mr Cerf has more than 30 years of experience in Asia involving real estate investment, development and related management consulting services. Prior to joining the manager, Mr Cerf was Deputy Chief Executive Officer of what is presently known as Keppel REIT Management Limited, the manager of Keppel REIT. Mr Cerf was responsible for the overall management of the REIT where total assets under management grew from S\$637 million to over S\$2.1 billion during his tenure.

Mr Cerf joined First Pacific Land in 1989 as a Senior Development Manager responsible for the group's developments in Hong Kong, Malaysia, The Philippines and Vietnam and later became Director and General Manager of the Singapore and Malaysia subsidiaries. Mr Cerf, together with a group of investors, carried out a successful management buyout of First Pacific Land's businesses in Malaysia in 1993 which he continued to helm in conjunction with an asset management consultancy until 2005.

Mr Cerf was formerly a practising architect and holds a Bachelor of Architecture (Dean's List) from the University of Oklahoma, USA, with emphasis on urban planning and architectural development.

Cheung Ling Fung, Tom

Chief Executive Officer

Hui Xian Asset Management Limited, manager of Hui Xian REIT

Mr Tom Cheung is Chief Executive Officer and Executive Director of Hui Xian Asset Management Limited, and a member of the Disclosures Committee and the Designated (Finance) Committee. Mr. Cheung is also a responsible officer of the manager.

Mr Cheung is also General Manager of Beijing Oriental Plaza Co., Ltd. (“**BOP**”), the Sino-foreign cooperative joint venture company through which Hui Xian REIT’s investment in Beijing Oriental Plaza is held.

Prior to joining BOP in 2001, Mr Cheung spent seven years in Shanghai, where, as General Manager, he set up the first Mainland China branch for CBRE in Shanghai. He has 25 years of experience in real estate, encompassing office, retail and residential properties. Mr. Cheung has previously been involved in a number of property developments located throughout Mainland China. He is also a member of Beijing Municipal Dongcheng District Committee of the Chinese People’s Political Consultative Conference.

Mr Cheung holds a Bachelor of Business Administration in Finance and a Master of Business Administration.

Anthony D. Kang

Chief Executive Officer

ARA Korea Limited

Country Head, Korea

ARA Asset Management Limited

Mr Anthony D. Kang is Chief Executive Officer and Representative Director on the board of ARA Korea Limited. He is also Country Head of ARA’s Korea desk. Mr Kang leads ARA’s activities in Korea, ranging from REIT management to private capital fundraising initiatives involving Korean investors.

Prior to ARA’s acquisition of ARA Korea Limited (formerly a Macquarie Group-owned company known as Macquarie Real Estate Korea Limited) in April 2014, Mr Kang was Chief Executive Officer as well as Representative Director of the company. During his time at Macquarie, he also served as a board member of Macquarie Asia Property Advisers Limited and six other Macquarie-controlled companies domiciled around the globe. Prior to joining Macquarie, he was with the Global Principal Investment Division at Merrill Lynch in Hong Kong and the Global Real Estate Group at Lehman Brothers in Tokyo. Mr Kang began his career as a corporate and real estate attorney and had worked in several major law firms based in Boston, Hong Kong and Seoul.

Mr Kang holds a Master of Real Estate and Urban Development from Harvard University, a Juris Doctor from Boston College Law School and a Bachelor of Arts in Economics from Columbia University. Mr Kang also serves as a board member on The Korea Association of Real Estate Investment Trusts. He is also a member of The Alumni Representative Committee of Columbia University and The State Bar of Massachusetts (USA).

David Kim
Head of Investments and Portfolio Management
ARA Private Funds

Chief Executive Officer
Morningside Investment Partners
Peninsula Investment Partners

Mr David Kim is Head of Investments and Portfolio Management for ARA Private Funds, responsible for portfolio management and investor relations. He holds the concurrent appointments of Chief Executive Officer of the Morningside Investment Partners and the Peninsula Investment Partners.

Mr Kim has more than 18 years of real estate industry experience. Prior to joining the Group, Mr Kim was a Managing Director and Chief Operating Officer of the Blackstone Group Asia based in Hong Kong where he was responsible for portfolio management. From 2000 to 2010, Mr Kim was a Managing Director and Chief Operating Officer in the real estate principal investments group in Bank of America Merrill Lynch where he oversaw the launch and establishment of Bank of America Merrill Lynch's US\$2.65 billion pan-Asian opportunity fund. Prior to that, Mr Kim was an analyst at Morgan Stanley in its mergers and acquisitions department and had started his career as an analyst at JP Morgan in its capital markets group in 1998.

Mr Kim holds a Bachelor of Science in Business Administration, a Bachelor of Arts in Economics and a minor in Asian Studies, both from the University of California, Berkeley, USA.

Stephen Tang
Head of Capital Markets & Origination
ARA Private Funds

Mr Stephen Tang is Head of Capital Markets and Origination for ARA Private Funds, responsible for leading ARA Private Funds' efforts in structuring and launching new investment funds while also establishing and maintaining capital partnerships with global investors. In addition, Mr Tang leads ARA Private Funds' originations of new opportunities across the region and globally, with specific focus on off-market, alternative and structured investments. Mr Tang also serves on the Investment and Executive Committees of ARA Private Funds.

Mr Tang has more than 20 years of real estate industry experience. Prior to joining the Group, he was a Managing Director of JP Morgan Asset Management where he was most recently responsible for the group's overall operations in Greater China and Singapore while also serving as Head of Asset Management, Asia Pacific. Mr Tang was a member of both the Asia Pacific Investment and Executive Management Committees and also played a key role in investor relations. Prior to JP Morgan, Mr Tang served as Executive Director and Chief Operating Officer Greater China at Morgan Stanley Real Estate Investing. While based in China from 2007 to 2012, Mr Tang oversaw and transacted over US\$5 billion of acquisitions, dispositions and financing investments. Mr Tang started his career in the acquisitions group at GE Capital Investment Advisors with subsequent capital market roles at Prudential Real Estate Investors and MetLife Investments.

Mr Tang holds a Bachelor of Arts from the University of Washington, a Master of Science in Real Estate Development from the Massachusetts Institute of Technology and has completed MBA coursework in Private Equity/Venture Capital from Harvard Business School.

Siew Siew Hoon
Head of Asset Management
ARA Private Funds

Chief Executive Officer
ARA Harmony II (SSCEC)

Ms Siew Siew Hoon is Head of Asset Management of ARA Private Funds where she is responsible for the overall asset management of ARA Private Funds. She holds the concurrent appointment of Chief Executive Officer of the ARA Harmony II (SSCEC).

Ms Siew has more than 25 years of experience in the marketing, sales, leasing and management of real estate in both Singapore and Australia. She joined ARA in 2004, managing the Al Islamic Far Eastern Real Estate Fund which was fully divested in 2007. Prior to joining the Group, Ms Siew was the Marketing Manager of The Land Managers (S) Pte. Ltd., where she was involved in the development, sales and marketing of residential properties in Singapore. Prior to that, she was with SLF Management Service Pte Ltd, a subsidiary of the Singapore Labour Foundation, which provided project & property management, marketing and leasing services to the companies under the Foundation and related entities. Ms Siew began her career with the Far East Organization, one of the largest property developers in Singapore.

Ms Siew holds a Bachelor of Science (Estate Management) from the National University of Singapore.

Hazel Chew
Chief Financial Officer
ARA Private Funds

Ms Hazel Chew is Chief Financial Officer of ARA Private Funds, responsible for the financial, treasury and tax functions of all the private funds managed by the Group.

Ms Chew has close to 30 years of financial management experience in the real estate industry. Prior to this, she was CFO Asia of Lend Lease Group from 2012 to 2015, where she oversaw the finance, treasury and tax functions, as well as provided financial oversight to the various funds which Lend Lease manages in Asia.

Ms Chew also held senior positions in several real estate companies including 17 years with CapitaLand Group. Her appointments in CapitaLand included the posts of CFO cum Joint Company Secretary of The Ascott Group Limited from 2005 to 2008, Senior Vice President (Finance & Corporate Services) of CapitaLand Commercial Ltd from 2008 to 2010 and Financial Controller of CapitaMalls Asia Ltd from 2010 to 2011. During her career, Ms Chew has been actively involved in project feasibility studies, acquisitions and divestments, mergers and restructurings, formation and listing of REITs, setting up of property funds, as well as equity and debt fund raisings. She has also implemented various accounting and consolidation systems and instituted internal control systems across multi-country operations.

Ms Chew holds a Bachelor of Accountancy from the National University of Singapore and is a member of the Institute of Singapore Chartered Accountants and CPA Australia. She is also a graduate and member of The Singapore Association of the Institute of Chartered Secretaries and Administrators.

Mark Hwang
Head of Legal & Compliance
ARA Private Funds

Mr Mark Hwang is Head of Legal and Compliance for ARA Private Funds and is responsible for all legal and compliance matters relating to ARA's private funds business.

Prior to joining the Group, Mr Hwang was Director of Legal and Business Development for a private investment company where he supervised and managed the legal affairs for a wide range of listed and unlisted businesses across Asia Pacific, including real estate, financial services, hospitality, resources and commodities, chemicals, retail, FMCG, automotive parts and tires.

Prior to that, Mr Hwang was an Executive Director in the real estate investment banking business of Morgan Stanley, where he built the bank's first dedicated real estate coverage team for Southeast Asia.

Prior to Morgan Stanley, Mr Hwang practiced as a capital markets and corporate lawyer with Allen & Gledhill in Singapore and Paul Hastings in Hong Kong. In those roles, he helped to establish the REIT industry in both markets and was deeply involved in the majority of the first initial public offerings and follow on fund raisings by REITs in Singapore and Hong Kong.

Mr Hwang holds a Bachelor of Law from the National University of Singapore and a Master of Laws from University College London.

Dr Chua Yang Liang
Head, Research & Strategy
ARA Private Funds

Dr Chua Yang Liang is Head of Research & Strategy of ARA Private Funds where he is responsible for monitoring, evaluating and forecasting the macroeconomic environment as well as real estate markets in the Asia Pacific region. Through his analysis of the macro and micro market trends, Dr Chua provides ARA's senior professionals with market intelligence to support their decision-making in investment, asset and portfolio management, and business initiatives across Asia Pacific. Dr Chua also serves on the investment committee of ARA Private Funds.

Prior to joining the Group, Dr Chua led the Southeast Asia research teams at Jones Lang LaSalle for over eleven years. His responsibilities included forecasting property markets, conducting market and development advisory, and providing commentaries to clients and the media on matters relating to property and urban policy issues. Dr Chua began his career in physical and strategic planning at the Urban Redevelopment Authority of Singapore.

Dr Chua holds a Bachelor of Science (Estate Management) (First Class Honours) from the National University of Singapore and a Master of City Planning and a doctorate from the University of Pennsylvania, USA. He is also an Adjunct with the Center for Liveable Cities, Ministry of National Development.

Cheah Ying Soon
Director of Portfolio Management
ARA Private Funds

Mr Cheah Ying Soon is the Director of Portfolio Management for ARA Private Funds, responsible for portfolio management and investor relations for ARA Private Funds.

Prior to joining the Group, Mr Cheah was Senior Finance Manager with LaSalle Investment Management for six years, responsible for financial reporting for its investments in Greater China. He started his career with CapitaLand Limited in 2000, and was selected for overseas secondment as Finance Manager to its offices in Shanghai, Beijing and Guangzhou for a period of over two years.

Mr Cheah holds a Master of Business Administration (Finance) from the Nottingham University, UK and a Diploma of Accountancy from Ngee Ann Polytechnic, Singapore. He also holds professional certificates issued by ACCA and CIMA. He is a Chartered Accountant with the Institute of Singapore Chartered Accountants.

Thomas Kong
Chief Executive Officer
ARA Harmony III (Malaysian Malls)
ARA Summit Development Fund I

Mr Thomas Kong is Chief Executive Officer of the ARA Harmony III (Malaysian Malls) and the ARA Summit Development Fund I.

Mr Kong was actively involved in setting up the ADF I and has held various key positions including Investment Director and Portfolio Management Director in the ADF I. Prior to that, he was the Fund Manager for the Al Islamic Far Eastern Real Estate Fund, which was fully divested in 2007. He was also actively involved in the listing of Prosperity REIT in Hong Kong and AmFIRST REIT in Malaysia in 2005 and 2006 respectively.

Prior to joining the Group, Mr Kong was with CapitaLand Group for over four years. He held positions in investments, business development and asset management, with the last position as Vice President at TCC Capital Land, a joint venture between CapitaLand and T.C.C. Limited, a Thai conglomerate group. Mr Kong began his career with the Wing Tai Group, a listed real estate developer based in Singapore in 1996.

Mr Kong holds a Bachelor of Business (Financial Analysis) from Nanyang Technological University, Singapore. He is also a CFA Charterholder.

David Teng
Fund Director
ARA Harmony V (9 Penang Road)

Mr David Teng is Fund Director of ARA Harmony V (9 Penang Road).

Prior to joining the Group, he was the General Manager of China Homes, a China-focused residential development fund set up by Prudential Insurance of America. He was responsible for running the joint venture that developed a 980-unit residential development in Beijing, China.

Mr Teng holds a Bachelor of Science from University of Manchester and Master of Business Administration from University of Hull.

Mun Hon Pheng
Chief Executive Officer
ARA Harmony VI (Century Link)

Chief Executive Officer
APM China

Mr Mun Hon Pheng is Chief Executive Officer of the ARA Harmony VI (Century Link) where he is responsible for the overall management of Century Link. He holds the concurrent appointment of CEO of APM China, a property management subsidiary of ARA.

Mr Mun joined the Group in 2009, where he was put in charge of managing the property investments of the ARA Private Funds in China. Prior to joining the Group, Mr Mun specialized in providing corporate advisory service for cross border investments between Singapore and China. In recent years, he has developed a specialization in advising international investors in the acquisition of Chinese commercial properties.

Prior to that, has worked in several international financial institutions in Singapore as well as in China and Hong Kong and has held positions in a variety of functions, including structured finance, capital markets and loan re-structuring. He was also formerly an executive director of Aztech Systems Ltd and Independent Director on the board of several Singapore listed companies.

Mr Mun holds a Master of Business Administration from the Australian Graduate School of Management and a Bachelor of Commerce (Accountancy & Information Systems) from the University of New South Wales. He is also a Fellow of the Singapore Institute of Arbitrators and a Member of the Chartered Institute of Arbitrators, London.

Anthony Yip
Deputy Chairman
APM Singapore

Chairman
APM China
APM Malaysia

Mr Anthony Yip is Deputy Chairman of APM Group, responsible for the overall property management and performance of APM Group's operations in Singapore, Malaysia and China. He holds the concurrent appointments of Chairman of APM China and Malaysia and Key Executive Officer for APM Singapore. On the digital front, Mr Yip facilitates the Group's Digital Transformation Roadmap comprising seven innovation nodes and concurrently leads the office/co-working space digital innovation node.

Mr Yip has more than 30 years of experience in the real estate sector focusing on integrated mixed-used developments, the hospitality industry as well as in the education sector. Prior to joining the Group, Mr Yip was Chief Executive of Shatec Institutes Pte. Ltd, a hospitality and culinary institution. He was Director (Retail Management) at Far East Organization as well as Director and General Manager of Tinsel Properties which owned the Raffles City asset in Singapore (till 2006). Concurrent with this appointment, he was also General Manager of RC Hotels, which held the lease of the 2,000-room hotel and convention centre in Raffles City. Mr. Yip was Senior Vice President, Planning and Business Development for Raffles Holdings Limited and Raffles International and played a key role in growing the Raffles portfolio to 13,000 rooms internationally. He currently serves as Co-Chairman of the Services Standards Committee for the Retail, Hospitality, Logistics and Consumer-related Standards established under the Singapore Standards Council and was President of the Shopping Centre Association of Singapore.

Mr. Yip holds a Masters in Business Administration from the National University of Singapore and Bachelor of Engineering (Civil) from University of Auckland, New Zealand.

June Lim
Chief Executive Officer
Amax Property Management Sdn Bhd

Country Head, Malaysia
ARA Asset Management Limited

Ms June Lim is Chief Executive Officer of Amax Property Management Sdn Bhd, a subsidiary of ARA, responsible for the overall property management and performance of ARA's assets in Malaysia, including Klang Parade, Ipoh Parade, 1 Mont Kiara, Wisma Mont Kiara, CITTA Mall, and AEON Melaka. Since 2014, she has also held the concurrent appointment of Country Head for ARA's Malaysia desk.

Ms Lim has more than 20 years of experience in retail real estate. She oversaw Klang Parade's RM120 million transformation, Ipoh Parade's RM90 million renovation, and 1 Mont Kiara's RM15 million rejuvenation. Klang Parade and Ipoh Parade's AEI were executed concurrently, with the former being completed in a record-breaking seven months. Following the AEIs, Klang Parade won the prestigious International Property Awards (Asia Pacific) 2016-2017 in the "Retail Interior" category, and Ipoh Parade was inducted into the Malaysia Book of Records in 2015 for having the "Biggest Outdoor LED Advertising Screen".

Ms Lim is also actively involved in the operations of ARA's assets in Malaysia, leading a team of 200 staff to continually improve and enhance them. Her extensive experience in strategic planning and business development led to a successful repositioning of the assets, with a rise in occupancy and footfall across the entire portfolio. She also established the human resource policies and standard operating procedures across the assets.

Prior to joining the Group, Ms Lim was the Head of Retail Department with PT Jones Lang LaSalle, where she oversaw two development projects for the Lippo Group. In addition, she was responsible for the overall tenancy mix and the positioning of mall projects. Prior to this, Ms Lim was Senior Manager, Retail Sector Head of City Developments Ltd and the General Manager (Marketing and Promotions) of PT Grand Indonesia. Ms Lim started her career with CB Richard Ellis in 1996.

Ms Lim holds a Bachelor of Science (Estate Management) from the National University of Singapore.

Arun Madhok
Chief Executive Officer
Suntec Singapore International Convention & Exhibition Services Pte. Ltd.

Chief Executive Officer
Suntec International Convention & Exhibition Services Pte. Ltd.

Mr Arun Madhok is the Chief Executive Officer of Suntec Singapore and Suntec International.

Mr Madhok joined Suntec Singapore in 2009 as the Director of Business Development and was promoted to the position of Chief Operating Officer at the beginning of 2012. Mr Madhok had spearheaded the review of the venue's operational activities and implemented changes, enabling the venue to maintain its reputation as a world-class venue. He has also been instrumental in developing and leading the modernisation programme that was completed in 2013. In recognition of his leadership in the transformation of the business, he was conferred the Asia Pacific Entrepreneurship Award for 2016 in the Hospitality and Tourism category and Global Asian of the year 2017.

Prior to his appointment at Suntec Singapore, Mr Madhok had garnered extensive experience in the airline and computer industries. His expertise includes strong change management and strategic planning in the area of business development, customer service, operations and information technology. His strong business acumen led to significant growth in several major new markets across Eastern Europe, Mediterranean and North Africa during his tenure with British Airways.

Mr Madhok is a graduate of the Spicer Memorial College and the Osmania University in India.

Peter Seow

Acting Chief Executive Officer

Quantum Interactive Pte. Ltd.

Mr Peter Seow is Acting Chief Executive Officer of Quantum Interactive Pte. Ltd., the customer engagement agency of ARA's property management arm, APM. He oversees the digital platforms, omni-channel engagement and data-driven loyalty programme management with the aim to build a holistic Suntec engagement ecosystem so that mall stakeholders can foster deeper relationships with tenants and shoppers as well as strategic business partners.

He is also co-founder and CEO of Activpass Holdings, a technology-led solutions provider, integrator and developer of cloud-based business management and customer engagement software for small, medium businesses in the fitness, wellness and retail industries.

Mr Seow has more 20 years of experience in Customer Acquisition, Loyalty Engagement and Digital Marketing services specialising in enterprise-level proximity-based mobile engagement technologies.

Mr Seow is an alumnus of Boston College and Anglo Chinese School.

David Blight

Chief Executive Officer

ARA Australia

Country Head, Australia

ARA Asset Management Limited

Mr David Blight is Chief Executive Officer and Director of ARA Australia. He is also Country Head of ARA's Australia desk, and is responsible for ARA's business expansion initiatives in Australia and New Zealand.

Mr Blight has more than 30 years of experience in real estate and global funds management. He is currently a Non-Executive Independent Director of Japara Healthcare Ltd listed on the Australian Securities Exchange and a Director of Woodcliff Capital Pty Ltd, a private investment and management company. Mr Blight is also the founding Chairman and Non-Executive Director of Asia Pacific Real Estate Association (Australia).

His previous roles include Vice Chairman of ING Real Estate and global chairman and CEO of ING Real Estate Investment Management based in The Netherlands. He has also held senior executive positions with Armstrong Jones, Mirvac Group and APN Property Group.

Mr Blight holds a Bachelor of Applied Finance in Valuation from the University of Adelaide, Australia.

Alvin Loo**Country Head, China**

Senior Director, Group Business Development (Special Projects)

ARA Asset Management Limited

Mr Alvin Loo is Country Head of ARA's China desk and is responsible for ARA's business expansion initiatives in China. He is also Senior Director of Group Business Development (Special Projects), responsible for all business development within the Group including REIT initiatives, private fund products and new platforms. Mr Loo also assists the Group in capital raisings and mergers and acquisitions.

Prior to joining the Group, Mr Loo was an Executive Director in the Commercial Real Estate team in Standard Chartered Bank ("**SCB**"). Mr Loo helped build up SCB's real estate banking business, spending his first year in SCB in Singapore and the last four and a half years in Hong Kong covering the Greater China real estate sector. Prior to joining SCB, Mr Loo was an Associate Director of the real estate, lodging and leisure group at UBS, Singapore from 2006 to 2009. He began his career as a management associate of global financial markets (asset back structured products) at DBS Bank in 2005. In his 10 years covering investment banking in the real estate sector across Singapore, Hong Kong and China, Mr Loo has originated, structured and executed significant equity, debt and M&A transactions, including close to 10 REIT initial public offerings listed on the Singapore and Hong Kong stock exchanges.

Mr Loo holds a Bachelor of Accountancy from Nanyang Technological University, Singapore.

Taiji Yoshikawa**Senior Advisor, Japan**

ARA Asset Management Limited

Mr Taiji Yoshikawa is Senior Advisor of ARA's Japan desk, responsible for identifying and originating potential business and investment opportunities in Japan, including REITs, private funds and other fund management-related platforms via mergers and acquisitions.

Prior to joining the Group, Mr Yoshikawa was with Kenedix, Inc. from 1998 to 2017, and held various positions including Chief Financial Officer and General Manager of the Corporate Planning and Compliance departments. Prior to that, he was with Mitsubishi Construction, Mitsubishi Corporation and Fudo Construction from 1980 to 1998.

Mr Yoshikawa holds a Bachelor of International Business Maritime Engineering from the National Institute of Technology, Toyama College, Japan.

Low Poh Choo**Senior Director**

ARA Financial Pte. Ltd.

Ms Low Poh Choo is Senior Director of ARA Financial Pte. Ltd, the corporate finance advisory arm of the Group. Ms Low also serves on the investment committee of ARA Private Funds.

Prior to joining the Group, Ms Low was Vice President of Global Financial Markets (Asset Backed Structured Products) at DBS Bank Ltd from 2003 to 2006. She was with the REIT origination team, where she had evaluated, advised, structured and marketed various primary and secondary REIT offerings. Ms Low began her career as an equity analyst and has 17 years of experience in the field, including 11 years as a specialist in the real estate sector.

Ms Low holds a Bachelor of Arts from the University of California, Berkeley, USA.

Tang Boon Kang
Director, Group Risk Management & Internal Audit
ARA Asset Management Limited

Mr Tang Boon Kang is Director, Group Risk Management & Internal Audit of ARA, responsible for the Group's internal audit, compliance and risk management functions.

Mr Tang has over 15 years of auditing, compliance, risk management and corporate governance experience. Prior to joining the Group, Mr Tang was an Audit Manager of PricewaterhouseCoopers ("PwC") Assurance Practice, Singapore from 2001 to 2009. He led audit engagements of multinational and listed companies in improving their corporate reporting, internal controls and compliance with statutory and regulatory requirements, including regulations under SGX-ST, MAS and the US Sarbanes-Oxley S404. He was also a PwC learning & education instructor and conducted internal training workshops on accounting standards, regulations, internal control assessments and auditing methodology. Mr Tang began his career with PwC Singapore and was selected for overseas secondment to the PwC UK London from 2002 to 2004.

Mr Tang holds a Bachelor of Accountancy (First Class Honours) from Nanyang Technological University, Singapore and is a certified Enterprise Risk Manager with a Professional Diploma (Distinction) in Enterprise Risk Planning and Management from the National University of Singapore. Mr Tang holds the title of a Chartered Accountant with the Institute of Chartered Accountants in England and Wales, a Chartered Accountant with the Institute of Singapore Chartered Accountants and a Certified Internal Auditor with the Institute of Internal Auditors Singapore. He is also a member of the Singapore Institute of Directors and Asia Risk Management Institute.

Serene Yeo
Director, Group Administration
Personal Assistant to Group Chief Executive Officer
ARA Asset Management Limited

Ms Serene Yeo is Director, Group Administration of ARA. She holds the concurrent appointment of Personal Assistant to the Group Chief Executive Officer.

Ms Yeo has more than 24 years of working experience. Prior to joining the Group, Ms Yeo was a Personal Assistant to the Head of Country with Carrefour Singapore Pte. Ltd. ("**Carrefour**") from 1997 to 2009. She held the concurrent position of Expansion Manager, responsible for business development for Carrefour. Ms Yeo held various positions in Imperial Hotel, Royal Plaza on Scotts (previously known as Holiday Inn Crowne Plaza) and Meritus Mandarin Singapore from 1992 to 1997.

Ms Yeo holds a Diploma in Business Management from University of Bradford, UK and a Private Secretarial Certificate from Stamford College Group, Singapore.

Khoo Wee Lee
Assistant Manager, Group Information Technology (IT)
(Business Centric/ Digital Innovation/ Project Management)
ARA Asset Management Limited

Mr Khoo Wee Lee is Assistant Manager, Group Information Technology and assists the Group Chief Digital Officer in business and organisational digital technology initiatives and processes.

Mr Khoo has over 10 years of information technology and information security experience. Prior to joining the Group, he was Engineer (Regional Support) with YKK Group. His

responsibilities include maintaining regional information security for YKK Group. Prior to that, he was System Consultant with Hycomm Pte Ltd from 2011 to 2015, Lotus Domino Administrator with Lyv Connections Pte Ltd from 2010 to 2011 and System Engineer with Taskcon Enterprise from 2007 to 2010.

Mr Khoo holds a Master of Information Technology from University of Southern Queensland, Australia.

Pauline Lim

Senior Director, Group Corporate Office

ARA Asset Management Limited

Ms Pauline Lim is Senior Director, Group Corporate Office and oversees the human resources, training & development, administration and corporate development & investor relations functions of the Group.

Ms Lim has over 17 years of human resource-related experience in supporting operations in Asia Pacific, of which more than 12 were in the real estate industry. Prior to joining the Group, Ms Lim had provided human resources consultancy services to education enrichment service providers from 2008 to 2009. She was the Vice President of human resources at CBM Pte. Ltd., a wholly-owned subsidiary of City Developments Limited, a property development group listed on the SGX-ST, from 2006 to 2008 and was the Head of the Nanyang Institute of Management School of Business from 2004 to 2006. Ms Lim began her career with NTUC Income Co-operative Ltd in 2000.

Ms Lim holds a Master of Business Administration from the Australian Institute of Business and a Bachelor of Commerce majoring in Human Resources, Marketing and Management from the University of Western Australia.

Judy Tan

Assistant Director, Group Corporate Development and Investor Relations

ARA Asset Management Limited

Assistant Director, Investor Relations

ARA-CWT Trust Management (Cache) Limited

Ms Judy Tan is Assistant Director of Group Corporate Development and Investor Relations of ARA. She is responsible for investor relations, corporate communications and corporate social responsibility activities in the Group. She holds the concurrent appointment as Assistant Director, Investor Relations of ARA-CWT Trust Management (Cache) Limited (manager of Cache Logistics Trust), where she is responsible for maintaining timely and transparent communications with Cache's unitholders, investors, analysts and the media.

Ms Tan has over 12 years of working experience in the capital markets, including investor relations and risk management. Prior to joining the manager, she was Assistant Vice President in the Risk Management & Regulation Group at Singapore Exchange Limited.

Ms Tan holds a Master of Finance from the University of Cambridge, UK, under the Finance Scholarship Programme administered by the Monetary Authority of Singapore. She also holds a Bachelor of Business Administration (First Class Honours) from the National University of Singapore Business School. In addition, she holds a Diploma in Compliance from the International Compliance Association and a Post-Graduate Diploma in Statistics and Datamining from Singapore Polytechnic.

Low Chiew Leng**Manager, Group Corporate Development and Investor Relations**

ARA Asset Management Limited

Ms Low Chiew Leng is Manager of Group Corporate Development and Investor Relations of ARA. She is responsible for investor relations, corporate communications and corporate social responsibility activities in the Group.

Ms Low has over 10 years of corporate and marketing communications experience in both public and private sectors, including the info-communications, design and professional services sectors.

Ms Low holds a Bachelor of Arts and Social Sciences from the National University of Singapore.

Andy Gan**Manager, Group Human Resources****(Group Training and Development)**

ARA Asset Management Limited

Mr Andy Gan is Manager, Group Human Resources of ARA. He is responsible for the training and development functions in the Group.

Mr Gan has over 15 years of experience in various human resources (“HR”) roles. Prior to joining the Group, he was a Consultant with CW Group Holdings Limited, a listed company in Hong Kong and was responsible for providing HR advice on business acquisitions in Germany. Prior to that, he was Country HR Manager of Oiltanking Asia Pacific Pte Ltd from 2014 to 2017, providing HR leadership for management and operations issues in Singapore. In addition to that, he was also the Regional Talent Management Lead for Asia Pacific, managing the talent leadership programmes for Oiltanking Group’s regional and global leadership initiatives.

Prior to joining Oiltanking, Mr Gan was Head of Learning & Development and HR Business Partner, South East Asia with Jones Lang LaSalle from 2013 to 2014. He previously held positions with Completion Products Pte Ltd, Adidas Group, Wildlife Reserves Singapore Group, SMRT Corporation Ltd and Carrefour Singapore from 2002 to 2013.

Mr Gan holds a Master of Business Administration from University of South Australia and a Bachelor of Commerce from University of Tasmania.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following table sets out the Group's selected consolidated financial information as at and for the financial years ended 31 December 2015 ("FY2015") and 31 December 2016 ("FY2016"), and the six months ended 30 June 2016 ("1H2016") and 30 June 2017 ("1H2017"). The selected consolidated financial data for FY2016 and FY2015 in the table below are derived from, and should be read in conjunction with, the Group's audited consolidated financial statements for FY2016, including the notes thereto, which appears in Appendice III of this Information Memorandum.

Consolidated Income Statement

Years ended 31 December 2015 and 31 December 2016 and six months ended 30 June 2016 and 30 June 2017

	Group			
	1H2017	1H2016	FY2016	FY2015
	S\$'000	S\$'000	S\$'000	S\$'000
Management fees	79,283	67,940	140,584	129,597
Acquisition, divestment and performance fees	2,086	2,318	5,410	13,453
Revenue	81,369	70,258	145,994	143,050
Finance income	18,677	10,669	29,634	12,367
Other income	438	673	1,203	610
	100,484	81,600	176,831	156,027
Administrative expenses	(32,907)	(26,033)	(52,929)	(46,346)
Operating lease expenses	(2,357)	(2,073)	(4,191)	(4,056)
Other expenses	(9,253)	(5,194)	(12,730)	(11,097)
Finance costs	(2,142)	(2,682)	(5,477)	(6,545)
Results from operating activities	53,825	45,618	101,504	87,983
Share of profit of associates and joint ventures, net of tax	2,316	2,308	5,205	7,465
Profit before tax	56,141	47,926	106,709	95,448
Tax expense	(8,384)	(7,626)	(14,592)	(14,095)
Profit for the period	47,757	40,300	92,117	81,353
Profit attributable to:				
Equity holders of the Company	45,665	38,678	88,661	78,058
Non-controlling interests	2,092	1,622	3,456	3,295
Profit for the period	47,757	40,300	92,117	81,353
Adjusted Net Profit ⁽¹⁾	40,825	36,508	78,930	72,057

(1) Adjusted Net Profit refers to profit attributable to equity holders of the Company excluding one-off adjustments comprising: (i) acquisition, divestment and performance fees; (ii) gain/(loss) on fair valuation/disposal of financial assets; (iii) gain/(loss) on disposal of investments; (iv) impairment on available-for-sale financial assets; (v) performance-based bonuses; and (vi) any other income/expense deemed non-recurrent.

Financial Review of 1H2017 versus 1H2016

The Group achieved higher recurrent management fees of S\$79.3 million for 1H2017 compared to S\$67.9 million in 1H2016. This increase was primarily attributed to (a) the significant increase in real estate management services fees arising from higher leasing income and marketing service fees derived from the Harmony VI, (b) higher portfolio management fees, mainly due to fee contributions from the Harmony VI and the PIP, and (c) higher REIT management fees due to (i) fees received by ARA Korea from the management of ARA-ShinYoung REIT No. 2, ARA-Alpharium REIT and ARA Korea Global REIT I and (ii) Suntec REIT's investment in Southgate Complex, Melbourne in 4Q2016.

Acquisition, divestment and performance fees decreased slightly from S\$2.3 million in 1H2016 to 2.1 million in 1H2017. The fees received by the Group in 1H2017 were primarily from (i) Prosperity REIT's disposal of Harbourfront Landmark Property in March 2017, (ii) Cache's acquisition of 217 - 225 Boundary Road in Australia in February 2017, (iii) upfront fee received by ARA Korea in relation to the completion of ARA Korea Global REIT I and (iv) the SDF I's investment in 294 Bell Street, Heidelberg West Melbourne, in Australia. In comparison, fees in 1H2016 were mainly related to (i) AmFIRST REIT's acquisition of Mydin HyperMall in January 2016 and (ii) fees received in relation to Suntec REIT's progressive development of 177 Pacific Highway in Australia.

Finance income at S\$18.7 million in 1H2017 was significantly higher than the S\$10.7 million in 1H2016, mainly due to (i) a higher distribution income in 1H2017, mainly from Suntec REIT following the Group's further accumulation of Suntec REIT units in 2Q2016, as well as distributions received from the ADF II, the PIP and the CIP, and (ii) a net gain on fair valuation / disposal of financial assets of S\$5.9 million in 1H2017 compared to S\$3.0 million in 1H2016, mainly attributable to an improvement in Suntec REIT's closing price over the period.

Total expenses were higher at S\$46.7 million in 1H2017 compared to S\$36.0 million in 1H2016, mainly due to (a) higher administrative expenses arising mainly from (i) strategic advisory fees incurred by Harmony VI and Suntec REIT; and (ii) increases in staff-related costs in line with the higher revenue, and (b) higher other expenses, mainly attributable to higher agency commissions and higher professional fees.

Against 1H2016, the Group's share of profit of associates and joint ventures, net of tax remained overall stable at approximately S\$2.3 million in 1H2017.

Net Profit⁽²⁾ grew 18% to S\$45.7 million in 1H2017 from S\$38.7 million in 1H2016.

Financial Review of FY2016 versus FY2015

The Group's recurrent management fees grew 8% year-on-year to S\$140.6 million in FY2016 from S\$129.6 million in FY2015. This was mainly due to (a) higher REIT management fees arising from (i) better asset performance post the asset enhancement initiatives undertaken, which resulted in an overall higher valuation of the property portfolios of the REITs under management and (ii) fee contribution from Suntec REIT's acquisition of three floors of strata office space at Suntec Tower Two and investment in Southgate Complex, Melbourne in 4Q2015 and 4Q2016 respectively, as well as Cache's acquisition of three Australian properties in the last quarter of 2015; (b) higher portfolio management fees primarily attributed to (i) higher fee contribution from the CIP following the acquisition of two commercial properties in China in September and December 2015, (ii) higher fee contributions from the Harmony III and the Harmony V, which were launched in August and December 2015 respectively and (iii) fee contributions from the PIP and the Harmony VI in FY2016; and (c) higher property management fees and marketing service fees recorded by the Group.

(2) Net Profit refers to profit attributable to equity holders of the Company.

Acquisition, divestment and performance fees declined to S\$5.4 million in FY2016 compared to S\$13.5 million in FY2015. The fees received in FY2016 were mainly in relation to (i) fees received from Suntec REIT's acquisition of 177 Pacific Highway and investment in Southgate Complex in Australia and (ii) AmFIRST REIT's acquisition of Mydin HyperMall in January 2016. In comparison, fees received in FY2015 were mainly attributed to (a) acquisition fees related to (i) Fortune REIT's acquisition of Laguna Plaza in January 2015, (ii) Cache's acquisition of six Australian properties and fees received from the completion of the development of the DHL Supply Chain Advanced Regional Centre in FY2015, (iii) the SDF I's maiden acquisition in Australia, and (iv) Suntec REIT's acquisition of three floors of strata office space at Suntec Tower Two in December 2015; in addition to (b) divestment fees received in relation to (i) the sale of certain properties held under the SIP portfolio, (ii) Fortune REIT's divestment of Nob Hill Square which was completed in April 2015, (iii) Cache's divestment of Kim Heng Warehouse which was completed in June 2015, and (iv) Suntec REIT's divestment of Park Mall completed in December 2015.

Finance income grew significantly to S\$29.6 million in FY2016 from S\$12.4 million in FY2015 and this was primarily attributed to higher distribution income following the further accumulation of Suntec REIT unitholdings as well as ad-hoc distributions from the ADF II and the CIP.

Total expenses for FY2016 increased to S\$75.3 million from S\$68.0 million in FY2015, mainly due to (i) higher administrative costs, in line with the Group's higher profit achieved during the year (included in FY2015 were adjustments for bonus expenses as the actual payments were lower than the amount accrued in the previous year) and (ii) higher other expenses, largely attributed to higher professional fees and depreciation expenses, partially offset by lower agency commission incurred during the year. These increases were partially offset by lower finance costs incurred by the Group during the year, mainly due to a lower interest expense of S\$1.4 million in FY2016 compared to S\$2.6 million in FY2015.

The Group's share of profit of associates and joint ventures, net of tax was lower at S\$5.2 million in FY2016 compared to S\$7.5 million in FY2015, as the latter had included (i) the acquisition fee recorded by Hui Xian Asset Management Limited in relation to Hui Xian REIT's acquisition of Metropolitan Oriental Plaza in Chongqing, China in March 2015 and (ii) a higher income contribution from Cache Property Management Pte Ltd.

Net Profit grew 14% to S\$88.7 million in FY2016 from S\$78.1 million in FY2015. Similarly, the Adjusted Net Profit was higher at S\$78.9 million in FY2016 compared to S\$72.1 million in FY2015, an increase of 10% year-on-year.

As at 31 December 2016, the Group's total assets under management stood at approximately S\$35.6 billion (approximately US\$24.6 billion).

PURPOSE OF THE PROGRAMME AND USE OF PROCEEDS

The net proceeds arising from the issue of the Securities under the Programme (after deducting issue expenses) will be used for general corporate purposes, including refinancing existing borrowings, financing investments, general working capital and capital expenditure requirements of the Issuer, its subsidiaries, its associated companies and/or its joint venture companies or such other purposes as may be specified in the relevant Pricing Supplement.

CLEARING AND SETTLEMENT

Clearance and Settlement under the Depository System

In respect of Securities which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities (“**Depository System**”) maintained by CDP. Securities that are to be listed on the SGX-ST may be cleared through CDP.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

In respect of Securities which are accepted for clearance by CDP, the entire issue of the Securities is to be held by CDP in the form of a global security or a global certificate for persons holding the Securities in securities accounts with CDP (“**Depositors**”). Delivery and transfer of Securities between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors. Although CDP encourages settlement on the third business day following the trade date of debt securities, market participants may mutually agree on a different settlement period if necessary.

Settlement of over-the-counter trades in the Securities through the Depository System may only be effected through certain corporate depositors (“**Depository Agents**”) approved by CDP under the SFA to maintain securities sub-accounts and to hold the Securities in such securities sub-accounts for themselves and their clients. Accordingly, Securities for which trade settlement is to be effected through the Depository System must be held in securities sub-accounts with Depository Agents. Depositors holding the Securities in direct securities accounts with CDP, and who wish to trade Securities through the Depository System, must transfer the Securities to be traded from such direct securities accounts to a securities sub-account with a Depository Agent for trade settlement.

CDP is not involved in money settlement between Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payments of interest and distribution and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfers of interests in the Securities in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Issuing and Paying Agent or any other agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

Clearance and Settlement under Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants, thereby eliminating the need for physical movements of certificates and any risks from lack of simultaneous transfer. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg each also deals with domestic securities markets in several countries through established depository and custodial relationships. The respective systems

of Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems which enables their respective participants to settle trades with one another. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to other financial institutions, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

A participant's overall contractual relations with either Euroclear or Clearstream, Luxembourg are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg and any applicable laws. Both Euroclear and Clearstream, Luxembourg act under those rules and operating procedures only on behalf of their respective participants, and have no record of, or relationship with, persons holding any interests through their respective participants. Payments of principal, interest or distributions with respect to book-entry interests in the Securities held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the relevant Paying Agent, to the cash accounts of the relevant Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

TAXATION

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and Bermuda and (in the case of Singapore) administrative guidelines and circulars issued by the IRAS and MAS in force as at the date of this Information Memorandum 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 Information Memorandum are intended or are to be regarded as advice on the tax position of any holder of the Securities or of any person acquiring, selling or otherwise dealing with the Securities or on any tax implications arising from the acquisition, sale or other dealings in respect of the Securities. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Securities and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Securities are advised to consult their own professional tax advisers as to the Singapore, Bermuda or other tax consequences of the acquisition, ownership of or disposal of the Securities, 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 Arrangers and any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Securities.

In addition, the disclosure in the section “Taxation — A. Singapore Taxation” below is on the assumption that the IRAS regards each tranche of the Perpetual Securities as “debt securities” for the purposes of the ITA and that distribution payments made under each tranche of the Perpetual Securities will be regarded as interest payable on indebtedness and holders thereof may therefore enjoy the tax concessions and exemptions available for qualifying debt securities, provided that the other conditions for the qualifying debt securities scheme are satisfied. If any tranche of the Perpetual Securities is not regarded as “debt securities” for the purposes of the ITA and holders thereof are not eligible for the tax concessions under the qualifying debt securities scheme, the tax treatment to holders may differ. Investors and holders of any tranche of the Perpetual Securities should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of any tranche of the Perpetual Securities.

A. 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 15.0% final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17.0%. The applicable rate for non-resident individuals is currently 22.0%. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15.0%. The rate of 15.0% may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

- (a) interest from debt securities derived on or after 1 January 2004;
- (b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and
- (c) prepayment fee, redemption premium or break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

In addition, as the Programme as a whole was arranged by DBS Bank Ltd. and Oversea-Chinese Banking Corporation Limited, each of which was a Financial Sector Incentive (Capital Market) Company or Financial Sector Incentive (Standard Tier) Company (as defined in the ITA) at such time, any tranche of the Securities ("**Relevant Securities**") issued as debt securities under the Programme during the period from the date of this Information Memorandum to 31 December 2018 would be qualifying debt securities ("**QDS**") 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 the MAS may direct, to the MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Securities as the MAS may require and the inclusion by the Issuer in all offering documents relating to the Relevant Securities of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Securities is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Securities using 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 Securities, paid by the Issuer and derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Securities are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore tax;

(ii) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Securities as the MAS may require), Qualifying Income from the Relevant Securities paid by the Issuer and derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10.0% (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(iii) subject to:

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

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

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

Notwithstanding the foregoing:

(A) if during the primary launch of any tranche of Relevant Securities, the Relevant Securities of such tranche are issued to fewer than four persons and 50.0% or more of the issue of such Relevant Securities is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Securities would not qualify as QDS; and

(B) even though a particular tranche of Relevant Securities are QDS, if, at any time during the tenure of such tranche of Relevant Securities, 50.0% or more of such Relevant Securities 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 Securities 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 Securities 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 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.

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

“prepayment fee”, in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities;

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

“break cost”, in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption.

References to “prepayment fee”, “redemption premium” and “break cost” in this Singapore tax disclosure have the same meaning as defined in the ITA.

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) is derived from the Relevant Securities by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the ITA (as mentioned above) shall not apply if such person acquires such Relevant Securities using the funds and profits of such person’s operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) derived from the Relevant Securities is not exempt from tax shall include such income in a return of income made under the ITA.

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 the MAS may direct, to the MAS of a return on debt securities in respect of the QDS in the prescribed format within such period as the MAS may specify and such other particulars in connection with the QDS as the MAS may require), income tax exemption is granted on Qualifying Income derived by any investor from QDS (excluding Singapore Government Securities) which:-

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

However, even if a particular tranche of the Relevant Securities are QDS which qualify under the QDS Plus Scheme, if, at any time during the tenure of such tranche of Relevant Securities, 50.0% or more of such Relevant Securities 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 Securities derived by:

(aa) any related party of the Issuer; or

(bb) any other person where the funds used by such person to acquire such Relevant Securities are obtained, directly or indirectly, from any related party of the 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 Securities will not be taxable in Singapore. However, any gains derived by any person from the sale of the Securities which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Securities who apply or who are required to apply Singapore Financial Reporting Standard (“**FRS**”) 39 or FRS 109 may, for Singapore income tax purposes, be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Securities, irrespective of disposal, in accordance with FRS 39 or FRS 109. Please see the section below on “Adoption of FRS 39 and FRS 109 for Singapore Income Tax Purposes”.

3. Adoption of FRS 39 and FRS 109 for Singapore Income Tax Purposes

Section 34A of the ITA provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and “opt-out” provisions) to taxpayers who are required to comply with FRS 39 for financial reporting purposes. The IRAS has also issued a circular entitled “Income Tax Implications Arising from the Adoption of FRS 39 - Financial Instruments: Recognition and Measurement”.

FRS 109 is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109, subject to certain exceptions. The IRAS has also issued a circular entitled “Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 — Financial Instruments”.

Holders of the Securities who may be subject to the tax treatment under Sections 34A or 34AA of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Securities.

4. Estate Duty

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

B. BERMUDA TAXATION

Under present Bermuda law, no Bermuda withholding tax on dividends or other distributions, or any Bermuda tax computed on profits or income or on any capital asset, gain or appreciation will be payable by an exempted company or its operations, and there is no Bermuda tax in the nature of estate duty or inheritance tax applicable to shares, debentures or other obligations of the company held by non-residents of Bermuda. Furthermore, a company may apply to the Minister of Finance of Bermuda for an assurance, under the Exempted Undertakings Tax Protection Act 1966 of Bermuda, that no such taxes shall be so applicable to it or any of its operations until 31 March 2035, although this assurance will not prevent the imposition of any Bermuda tax payable in relation to any land in Bermuda leased or let to the company or to persons ordinarily resident in Bermuda.

SUBSCRIPTION AND SALE

The Programme Agreement provides for Securities to be offered from time to time through one or more Dealers. The price at which a Series or Tranche will be issued will be determined prior to its issue between the Issuer and the relevant Dealer(s). The obligations of the Dealers under the Programme Agreement will be subject to certain conditions set out in the Programme Agreement. Each Dealer (acting as principal) will subscribe or procure subscribers for Securities from the Issuer pursuant to the Programme Agreement.

The Arrangers, 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 their 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 applicable Pricing Supplement).

In connection with each tranche of Securities issued under the Programme, the Dealers or certain of their affiliates may purchase Securities and be allocated Securities for asset management and/or proprietary purposes but not with a view to distribution. Further, the Dealers and/or their respective affiliates may place orders, receive allocations and purchase Securities for their own account (without a view to distributing such Securities) and such orders and/or allocations of the Securities may be material. Such entities may hold or sell such Securities or purchase further Securities for their own account in the secondary market or deal in any other securities of the Issuer, and therefore, they may offer or sell the Securities or other securities otherwise than in connection with the offering. Accordingly, references herein to the Securities being "offered" should be read as including any offering of the Securities to the Arrangers, the Dealers and/or their respective affiliates for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any legal or regulatory obligation to do so.

United States

The Securities have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Bearer Securities are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Dealer has agreed that, and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Programme Agreement, it will not offer, sell or, in the case of Bearer Securities, deliver the Securities (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of an identifiable Tranche of which such Securities are a part, as determined and certified to the Issuing and Paying Agent, by such Dealer (or, in the case of an identifiable Tranche of Securities sold to or through more than one Dealer, by each of such Dealers with respect to Securities of an identifiable Tranche purchased by or through it, in which case the Issuing and Paying Agent shall notify such Dealer when all such Dealers have so certified), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which

it sells Securities during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Securities within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

The Securities are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of any identifiable Tranche of Securities, an offer or sale of Securities within the United States by a dealer that is not participating in the offering of such Tranche of Securities may violate the registration requirements of the Securities Act.

European Economic Area

Each Dealer 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 the Securities which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purpose of this provision:

- (i) the expression “**retail investor**” means a person who is one (or more) of the following:
 - (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
 - (b) 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
 - (c) not a qualified investor as defined in Directive 2003/71/EC (as amended, the “**Prospectus Directive**”); and
- (ii) the expression “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities.

United Kingdom

Each Dealer will be required to represent and agree that:

- (i) in relation to any Securities which have a maturity of less than one year, (a) 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 (b) it has not offered or sold and will not offer or sell any Securities other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or 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 Securities would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (“**FSMA**”) by the Issuer;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any 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 Securities in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom.

Bermuda

The Securities may be offered or sold in Bermuda only in compliance with the provisions of the Investment Business Act 2003 of Bermuda. Non-Bermudian persons may not carry on or engage in any trade or business in Bermuda unless such persons are authorised to do so under applicable Bermuda legislation. Engaging in the activity of offering or marketing the Securities in Bermuda to persons in Bermuda may be deemed to be carrying on business in Bermuda.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Securities (except for Securities which are a “structured product” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (“SFO”)) other than (a) to “professional investors” as defined in the SFO or (b) 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
- (ii) 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 Securities, 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 Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made thereunder.

Singapore

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to acknowledge, that this Information Memorandum has not been registered as a prospectus with the MAS and that the Securities will be offered pursuant to exemptions under the SFA. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Securities or caused the Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any Securities or cause the Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum or any document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities, whether directly or indirectly, to any person 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.

General

The selling restrictions herein contained may be modified, varied or amended from time to time by notification from the Issuer to the Dealers and each Dealer has undertaken that it will at all times comply with all such selling restrictions.

Each Dealer understands that no action has been taken in any jurisdiction that would permit a public offering of any of the Securities, or possession or distribution of this Information Memorandum or any other document or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will comply with all applicable securities laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers Securities or any interest therein or rights in respect thereof or has in its possession or distributes, any other document or any Pricing Supplement. No Dealer will directly or indirectly offer, sell or deliver Securities or any interest therein or rights in respect thereof or distribute or publish any prospectus, circular, advertisement or other offering material (including, without limitation, this Information Memorandum) in any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations, and all offers, sales and deliveries of Notes or any interest therein or rights in respect thereof by it will be made on the foregoing terms.

Any person who may be in doubt as to the restrictions set out in the SFA or the laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers the Securities or any interest therein or rights in respect thereof and the consequences arising from a contravention thereof should consult his own professional advisers and should make his own inquiries as to the laws, regulations and directives in force or applicable in any particular jurisdiction at any relevant time.

GENERAL AND OTHER INFORMATION

INFORMATION ON DIRECTORS

1. As at the Latest Practicable Date, the name and position of each of the Directors are set out below:

Name	Position
Chiu Kwok Hung Justin	Director
Lim Hwee Chiang John	Director and Group Chief Executive Officer
Ellen Ng Hoi Ying	Director

2. No Director of the Issuer is or was involved in any of the following events:
- a petition under any bankruptcy laws filed in any jurisdiction against such person or any partnership in which he was a partner or any corporation of which he was a director or an executive officer;
 - a conviction of any offence, other than a traffic offence, or judgment, including findings in relation to fraud, misrepresentation or dishonesty, given against him in any civil proceedings in Singapore or elsewhere, or being a named subject to any pending proceedings which may lead to such a conviction or judgment, or so far as such person is aware, any criminal investigation pending against him; or
 - the subject of any order, judgment or ruling of any court of competent jurisdiction, tribunal or government body, permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

SHARE CAPITAL

3. As at the Latest Practicable Date, there are only two classes of shares in the Issuer, being ordinary shares and redeemable preference shares. The rights and privileges attached to the shares are stated in the Bye-laws of the Issuer.
4. As at the Latest Practicable Date, the issued share capital of the Issuer is made up as follows:

Share Designation	Number of Issued Shares	Amount of Issued Share Capital
Ordinary shares	997,278,289	1,994,557
Redeemable preference shares	100,000	100,000

BORROWINGS

5. Save as disclosed in Appendix III, the Group had as at 31 December 2016 no other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trading bills) or acceptance credits, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

WORKING CAPITAL

6. The Directors are of the opinion that, after taking into account the present banking facilities and the net proceeds of the issue of the Securities, the Issuer will have adequate working capital for its present requirements.

CHANGES IN ACCOUNTING POLICIES

7. There has been no significant change in the accounting policies of the Issuer since its most recent audited consolidated financial statements for the financial year ended 31 December 2016.

LITIGATION

8. There are no legal or arbitration proceedings pending or, to the best of the Issuer's knowledge having made due and careful enquiries, threatened against the Issuer or any of its subsidiaries the outcome of which have had or, if adversely determined, is reasonably likely to have during the 12 months prior to the date of this Information Memorandum a material adverse effect on the financial position of the Issuer or the Group.

MATERIAL INDEBTEDNESS

9. Following the privatisation of the Issuer, the Issuer had in April 2017 given a corporate guarantee in favour of, *inter alia*, the lenders to a S\$310 million loan facility taken up by its parent, ARAC, for the purpose of partially financing its acquisition of the Issuer's shares and the costs in connection therewith. The maturity date of the facilities made available under this loan facility agreement is in April 2022. The Issuer's payment obligations under the corporate guarantee constitute its direct and unsubordinated obligations, and rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally. ARAC is subject to various customary covenants, including the satisfaction of certain financial tests applicable under the loan facility. The Issuer, being a wholly-owned subsidiary of ARAC, is consequently affected by such covenants.

MATERIAL ADVERSE CHANGE

10. There has been no material adverse change in the financial condition or business of the Issuer or the Group since 31 December 2016.

CONSENT

11. KPMG LLP has given and has not withdrawn its written consent to the issue of this Information Memorandum with the references herein to its name and, where applicable, reports in the form and context in which they appear in this Information Memorandum.

DOCUMENTS AVAILABLE FOR INSPECTION

12. Copies of the following documents may be inspected at the principal place of business of the Issuer in Singapore at 6 Temasek Boulevard, #16-02, Suntec Tower Four, Singapore 038986 during normal business hours for a period of six months from the date of this Information Memorandum:
- (a) the Memorandum of Association and the Bye-laws of the Issuer;
 - (b) the Trust Deed;
 - (c) the letter of consent referred to in paragraph 11 above; and
 - (d) the audited consolidated financial statements of the Issuer and its subsidiaries for the financial year ended 31 December 2016 and the unaudited financial statements of the Issuer and its subsidiaries for the six months ended 30 June 2017.

FUNCTIONS, RIGHTS AND OBLIGATIONS OF THE TRUSTEE

13. The functions, rights and obligations of the Trustee are set out in the Trust Deed.

**UNAUDITED FINANCIAL STATEMENTS OF THE ISSUER AND ITS SUBSIDIARIES
FOR THE SIX MONTHS ENDED 30 JUNE 2017**



**ARA ASSET MANAGEMENT LIMITED
AND ITS SUBSIDIARIES
(THE "GROUP")**

FINANCIAL RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2017

Financial Results
For the half year ended 30 June 2017

Consolidated Income Statement of the Group

	Note	1/1/17 to 30/6/17 ("1H2017") S\$'000	1/1/16 to 30/6/16 ("1H2016") S\$'000
Management fees	(a)	79,283	67,940
Acquisition, divestment and performance fees	(a)	2,086	2,318
Finance income	(b)	18,677	10,669
Other income		438	673
Total revenue		100,484	81,600
Administrative expenses	(c)	(32,907)	(26,033)
Operating lease expenses		(2,357)	(2,073)
Other expenses	(d)	(9,253)	(5,194)
Finance costs	(b)	(2,142)	(2,682)
Total expenses		(46,659)	(35,982)
Results from operating activities		53,825	45,618
Share of profit of associates and joint ventures, net of tax	(e)	2,316	2,308
Profit before tax		56,141	47,926
Tax expense		(8,384)	(7,626)
Profit for the period		47,757	40,300
Attributable to:			
Equity holders of the Company		45,665	38,678
Non-controlling interests		2,092	1,622
		47,757	40,300

Financial Results
For the half year ended 30 June 2017

Notes to the income statement of the Group

(a) Revenue

Management fees comprise mainly REIT base and performance fees, portfolio management and service fees and real estate management services fees.

Acquisition, divestment and performance fees comprise mainly acquisition, divestment and performance fees and advisory and consultancy fees.

(b) Finance income / Finance costs

Finance income comprises mainly distribution income, interest income, net gain on fair valuation / disposal of financial assets and net foreign exchange gain.

Finance costs comprise net loss on fair valuation / disposal of financial assets, impairment on available-for-sale financial assets, net foreign exchange loss and interest expense.

(c) Administrative expenses

Administrative expenses comprise staff-related costs (including staff salaries and related mandatory contributions, bonuses, staff training and other associated staff benefits), strategic advisory fees and director fees payable to the directors of the listed REITs.

(d) Other expenses

Other expenses comprise primarily other staff-related expenses (such as travelling expenses), agency commission, telecommunications expenses, legal & professional fees (including auditors' remuneration, company secretarial and share registrar fees), insurance, depreciation, board meeting expenses and other miscellaneous expenses.

(e) Share of profit of associates and joint ventures, net of tax

Share of profit of associates and joint ventures, net of tax comprise the Group's share of profit arising from the joint ventures in ARA-ShinYoung REIT and ARA-ShinYoung REIT No. 2, the 40% equity interest in Cache Property Management Pte. Ltd., as well as 30% equity interest in the following: Am ARA REIT Holdings Sdn. Bhd., Am ARA REIT Managers Sdn. Bhd., World Deluxe Enterprises Limited, Hui Xian Asset Management Limited and Beijing Hui Xian Enterprise Services Limited respectively.

Financial Results
For the half year ended 30 June 2017**A review of the performance of the Group****1H2017 vs 1H2016**

The Group achieved higher recurrent management fees of S\$79.3 million for 1H2017 compared to S\$67.9 million in 1H2016. This increase was primarily attributed to (a) the significant increase in real estate management services fees arising from higher leasing income and marketing service fees derived from the Harmony VI, (b) higher portfolio management fees, mainly due to fee contributions from the Harmony VI and the PIP, and (c) higher REIT management fees due to (i) fees received by ARA Korea from the management of ARA-ShinYoung REIT No. 2, ARA-Alpharium REIT and ARA Korea Global REIT I and (ii) Suntec REIT's investment in Southgate Complex, Melbourne in 4Q2016.

Acquisition, divestment and performance fees decreased slightly from S\$2.3 million in 1H2016 to 2.1 million in 1H2017. The fees received by the Group in 1H2017 were primarily from (i) Prosperity REIT's disposal of Harbourfront Landmark Property in March 2017, (ii) Cache Logistics Trust's ("Cache") acquisition of 217 - 225 Boundary Road in Australia in February 2017, (iii) upfront fee received by ARA Korea in relation to the completion of ARA Korea Global REIT I and (iv) the SDF I's investment in 294 Bell Street, Heidelberg West Melbourne, in Australia. In comparison, fees in 1H2016 were mainly related to (i) AmFIRST REIT's acquisition of Mydin HyperMall in January 2016 and (ii) fees received in relation to Suntec REIT's progressive development of 177 Pacific Highway in Australia.

Finance income at S\$18.7 million in 1H2017 was significantly higher than the S\$10.7 million in 1H2016, mainly due to (i) a higher distribution income in 1H2017, mainly from Suntec REIT following the Group's further accumulation of Suntec REIT units in 2Q2016, as well as distributions received from the ADF II, the PIP and the CIP, and (ii) a net gain on fair valuation / disposal of financial assets of S\$5.9 million in 1H2017 compared to S\$3.0 million in 1H2016, mainly attributable to an improvement in Suntec REIT's closing price over the period.

Total expenses were higher at S\$46.7 million in 1H2017 compared to S\$36.0 million in 1H2016, mainly due to (a) higher administrative expenses arising mainly from (i) strategic advisory fees incurred by Harmony VI and Suntec REIT; and (ii) increases in staff-related costs in line with the higher revenue, and (b) higher other expenses, mainly attributable to higher agency commissions and higher professional fees.

Against 1H2016, the Group's share of profit of associates and joint ventures, net of tax remained overall stable at approximately S\$2.3 million in 1H2017.

Net Profit grew 18% to S\$45.7 million in 1H2017 from S\$38.7 million in 1H2016.

Financial Results
For the half year ended 30 June 2017

Statement of Financial Position of the Group

	Note	30/6/17 S\$'000	31/12/16 S\$'000
Assets			
Plant and equipment		2,405	2,219
Intangible assets	(a)	534	1,092
Associates and joint ventures	(b)	18,958	20,427
Financial assets	(c)	688,885	526,278
Financial derivatives	(d)	-	341
Deferred tax assets	(e)	752	796
Other receivables	(f)	4,588	5,057
Total non-current assets		716,122	556,210
Financial assets	(g)	46,142	35,443
Trade and other receivables	(h)	53,178	60,492
Cash and cash equivalents		79,476	109,067
Total current assets		178,796	205,002
Total assets		894,918	761,212
Equity			
Share capital		1,995	1,995
Reserves		317,151	279,561
Retained earnings		346,531	300,866
Equity attributable to equity holders of the Company		665,677	582,422
Non-controlling interests	(i)	7,324	7,052
Total equity		673,001	589,474
Liabilities			
Loan and borrowings	(j)	80,095	80,174
Other payables		3,283	2,384
Financial derivatives	(d)	119	-
Deferred tax liabilities		188	189
Total non-current liabilities		83,685	82,747
Trade and other payables	(k)	33,464	34,724
Loan and borrowings	(j)	91,347	41,853
Current tax payable		13,421	12,414
Total current liabilities		138,232	88,991
Total liabilities		221,917	171,738
Total equity and liabilities		894,918	761,212

Financial Results
For the half year ended 30 June 2017**Footnotes:**

- (a) *Intangible assets include the Group's contractual rights to receive the expected future economic benefits embodied in each of the management agreements between ARA Korea and the two privately-held Korean REITs under its management that will flow to the Group. The intangible assets are measured at cost less accumulated amortisation. As at 30 June 2017, an accumulated amortisation of S\$807,000 (31 December 2016: S\$676,000) had been made.*
- (b) *Interests in associates and joint ventures relates to the Group's joint ventures in ARA-ShinYoung REIT and ARA-ShinYoung REIT No. 2, the 40% equity interest in Cache Property Management Pte. Ltd., as well as 30% equity interest in the following: Am ARA REIT Holdings Sdn. Bhd., Am ARA REIT Managers Sdn. Bhd., World Deluxe Enterprises Limited, Hui Xian Asset Management Limited and Beijing Hui Xian Enterprise Services Limited respectively.*
- (c) *Non-current financial assets as at 30 June 2017 comprised primarily (i) 145.2 million Suntec REIT units held by the Group as a strategic stake (31 December 2016: 145.2 million units); (ii) 27.9 million Cache units held by the Group as a strategic stake (31 December 2016: 23.8 million units); (iii) 36.2 million AmFIRST REIT units held by the Group as strategic stake (31 December 2016: 36.2 million units); (iv) 10.8 million Kenedix, Inc. shares held by the Group as a strategic stake (31 December 2016: Nil); (v) seed capital investments in the ARA Asia Dragon Fund ("ADF I"), the ADF II, the CIP, the Morningside Investment Partners, LLC ("MIP"), the ARA Harmony III (Malaysian Malls) ("Harmony III"), the PIP and the ARA-Alpharium REIT; and (v) a 10.02% strategic stake in ARA-NPS Real Estate Investment Company.*
- (d) *Financial derivatives comprise interest rate swaps entered into by the Group to manage its interest rate risk exposure on its floating rate bank loans by swapping the interest expense on a proportion of these term loans from floating rates to fixed rates.*
- (e) *Deferred tax asset relates to unutilised tax losses carried forward.*
- (f) *This relates to the payment of the agent fees in relation to certain private real estate funds under management which will be amortised over the life of the relevant funds, and tenancy deposits in relation to the operating lease agreements for the Group's office space.*
- (g) *Current financial assets comprise REIT units received by the Group as part payment of management fees by certain REITs under management and REIT units received by the Group as payment for dividend income declared by an associate.*
- (h) *Trade and other receivables comprise accrued fees receivable, deposits, prepayments and other receivables. The decrease in trade and other receivables was mainly due to the receipt of REIT performance fees units in 1Q2017 with respect to FY2016. This was partially offset by (i) the accrual of REIT performance fees units in 1H2017 and (ii) an increase in trade receivables which was in tandem with the increase in management fees.*
- (i) *Non-controlling interests relate to the non-controlling shareholders' proportionate interest in ARA Fund Management (Harmony III) Limited, ARA-CWT Trust Management (Cache) Limited, Asia Property Management (China) Limited and its subsidiaries, APM (V) Consultancy Limited and its subsidiaries, ARA Korea, ARA Associates (Korea) Limited, ARA Real Estate Investors X Pte Ltd and ARAM Australia Pty Ltd.*
- (j) *Loan and borrowings as at 30 June 2017 relate to (i) a non-current secured term loan of S\$80.0 million (31 December 2016: S\$80.0 million); (ii) a current secured revolving credit facility of S\$47.7 million (31 December 2016: S\$41.7 million); (iii) an unsecured money market line of S\$43.5 million (31 December 2016: Nil) and (iv) finance lease liabilities of S\$242,000 (31 December 2016: S\$327,000). The Group's gearing ratio as at 30 June 2017 stood at approximately 25% (31 December 2016: 21%).*
- (k) *Trade and other payables comprise accrued fees payable, net GST output tax payable, provision for staff-related benefits to employees and other payables. The decrease in trade and other payables was mainly due to the payment of staff-related costs in 1Q2017, partially offset by the accruals of other expenses in 1H2017.*

**AUDITED FINANCIAL STATEMENTS OF THE ISSUER AND ITS SUBSIDIARIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

The information in this Appendix III has been reproduced from the annual report of the Group for the financial year ended 31 December 2016 and has not been specifically prepared for inclusion in this Information Memorandum. Investors should read the consolidated financial data in conjunction with the related notes.

INDEPENDENT AUDITORS' REPORT

MEMBERS OF THE COMPANY
ARA ASSET MANAGEMENT LIMITED

OPINION

We have audited the financial statements of ARA Asset Management Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2016, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 114 to 175.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the Financial Reporting Standards in Singapore ("FRSs") so as to present fairly, in all material respects, the consolidated financial position of the Group and the financial position of the Company as at 31 December 2016 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

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 *'Auditors' responsibilities for the audit of the financial statements'* section of our report. We are independent of the Group 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.

INDEPENDENT AUDITORS' REPORT

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition from private real estate funds (Refer to Note 18 to the financial statements)	
<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>The Group derives management, divestment and performance fees from managing unquoted private real estate funds. For the financial year ended 31 December 2016, revenue from unquoted private real estate funds amounted to S\$26.7 million which comprised 18% of total revenue.</p> <p>Private real estate fund agreements contain fee arrangements such as management fee, carried interest, preferred returns, organisational expenses and fee offset provisions.</p> <p>Certain of the Group's revenue from private real estate funds are subject to multiple terms and conditions, which need to be fulfilled before revenue can be recognised. Taking into consideration the significance of the Group's revenue derived from the private real estate funds, this is considered a key audit focus area.</p>	<p>We obtained the fund management agreements and assessed if the private real estate funds fee arrangements terms and conditions are met.</p> <p>We also assessed the appropriateness of revenue recognition against the requirements of FRS 18 <i>Revenue</i>.</p>
<i>Our findings</i>	
<p>Based on our procedures, we found the revenue from private real estate funds to be complete, accurate and appropriately recognised.</p>	

INDEPENDENT AUDITORS' REPORT

KEY AUDIT MATTERS *(cont'd)*

Valuation of Level 3 financial assets (Refer to Note 9 and 17 to the financial statements)	
<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>As at 31 December 2016, the Group's Level 3 financial assets comprised investments in private real estate funds and privately-held REITs amounted to S\$260 million, which represent 34% of the Group's total assets. The fair values of the investments in unquoted private real estate funds and privately-held REITs are determined using the realisable net asset value approach which considers the fair values of the underlying assets and liabilities of the private real estate funds and privately-held REITs respectively. The assets held by the private real estate funds and privately-held REITs comprised mainly investment properties whose fair values were determined by independent licensed appraisers or internal valuations produced by the Group's portfolio management team, using valuation techniques such as discounted cash flow, capitalisation approach and direct comparison methods. In addition, fair values based on internal valuations are also calibrated against external valuations.</p> <p>Due to the significance of the Group's investments in private real estate funds and privately-held REITs, and the related estimation uncertainty, this is considered a key audit focus area.</p>	<p>We discussed with management and assessed the appropriateness of management's approach to determine fair value using the Net Asset Value ("NAV") of the unquoted private real estate funds and privately-held REITs.</p> <p>We assessed the appropriateness of the valuation methodologies adopted to value the private real estate funds' and privately-held REITs' underlying assets and liabilities, and challenged the reasonableness of key assumptions and estimates made.</p> <p>We evaluated the competency, capability and objectivity of external valuers for those investment properties held by the private real estate funds whose fair values were determined by independent external valuers.</p>
<i>Our findings</i>	
<p>Based on our procedures, we found management's approach to determine fair value of the unquoted private real estate funds and privately-held REITs using NAV appropriate. We found the key assumptions and estimates used to be balanced. The external valuers are members of generally-recognised professional bodies for valuers and have considered their own independence in carrying out their work. We also noted that the Group's disclosures were adequate.</p>	

INDEPENDENT AUDITORS' REPORT

OTHER INFORMATION

Management is responsible for the other information. The other information comprises the Directors' Statement and Supplementary Information but does not include the financial statements and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the Corporate Profile and Core Values, Letter to Shareholders, Highlights of the Year, Awards and Accolades, Financial Highlights, Performance Review, Business Segments (Funds and Services, Real Estate Investment Trusts, Private Real Estate Funds), Board of Directors, Management Team, Investor Relations, Corporate Social Responsibility, Report on Corporate Governance, Shareholders' Information and Corporate Information (the "Reports"), which are not expected to be made available to us before that date (see Other matter – Other information).

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 if they are made available 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.

When we read the Reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

OTHER MATTER – OTHER INFORMATION

The Company and Athena Investment Company (Cayman) Limited (the "Offeror") jointly announced on 8 November 2016 the proposed acquisition (the "Acquisition") of all the issued and fully paid-up ordinary shares in the capital of the Company by the Offeror. The Acquisition will be effected by way of a scheme of arrangement (the "Scheme") under Section 99 of the Companies Act 1981 of Bermuda.

The Company announced on 28 February 2017 that it will convene the Scheme meeting on 23 March 2017 which is after the date of this independent auditors' report. Subject to the Scheme becoming effective in accordance with its terms, including the approval of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Company will thereafter be delisted and the Company has obtained a waiver from SGX-ST from the requirement to issue the Reports. If the Scheme is not approved, then the Reports will be issued.

RESPONSIBILITIES OF MANAGEMENT AND DIRECTORS FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with FRSs, and for such internal control as management 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, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

INDEPENDENT AUDITORS' REPORT

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 auditor's 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 control.
- Obtain an understanding of internal control 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Lim Jek.

KPMG LLP

Public Accountants and
Chartered Accountants

Singapore

16 March 2017

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2016

	Note	Group		Company	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Assets					
Plant and equipment	4	2,219	2,105	–	–
Intangible assets	5	1,092	1,147	–	–
Subsidiaries	6	–	–	412,096	292,008
Associates and joint ventures	7	20,427	16,191	–	–
Financial assets	9	526,278	397,294	–	–
Financial derivatives	10	341	–	–	–
Deferred tax assets	11	796	712	–	–
Trade and other receivables	12	5,057	5,566	1,102	–
Total non-current assets		556,210	423,015	413,198	292,008
Financial assets	9	35,443	33,509	–	–
Trade and other receivables	12	60,492	47,827	21,370	13,292
Cash and cash equivalents	13	109,067	76,742	6,327	31,517
Total current assets		205,002	158,078	27,697	44,809
Total assets		761,212	581,093	440,895	336,817
Equity					
Share capital	14	1,995	1,995	1,995	1,995
Reserves	14	279,561	255,616	225,297	225,287
Retained earnings		300,866	262,702	156,513	102,912
Equity attributable to equity holders of the Company		582,422	520,313	383,805	330,194
Non-controlling interests		7,052	7,295	–	–
Total equity		589,474	527,608	383,805	330,194
Liabilities					
Loans and borrowings	15	80,174	14,118	–	–
Trade and other payables	16	2,384	1,832	53,180	5,280
Deferred tax liabilities	11	189	115	–	–
Total non-current liabilities		82,747	16,065	53,180	5,280
Trade and other payables	16	34,724	25,001	3,910	1,343
Loans and borrowings	15	41,853	45	–	–
Current tax payable		12,414	12,374	–	–
Total current liabilities		88,991	37,420	3,910	1,343
Total liabilities		171,738	53,485	57,090	6,623
Total equity and liabilities		761,212	581,093	440,895	336,817

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

CONSOLIDATED INCOME STATEMENT

Year ended 31 December 2016

	Note	Group	
		2016 \$'000	2015 \$'000
Management fees	18	140,584	129,597
Acquisition, divestment and performance fees		5,410	13,453
Revenue		145,994	143,050
Finance income	19	29,634	12,367
Other income		1,203	610
		176,831	156,027
Administrative expenses		(52,929)	(46,346)
Operating lease expenses		(4,191)	(4,056)
Other expenses		(12,730)	(11,097)
Finance costs	19	(5,477)	(6,545)
Results from operating activities		101,504	87,983
Share of profit of associates and joint ventures, net of tax		5,205	7,465
Profit before tax	20	106,709	95,448
Tax expense	21	(14,592)	(14,095)
Profit for the year		92,117	81,353
Profit attributable to:			
Equity holders of the Company		88,661	78,058
Non-controlling interests		3,456	3,295
Profit for the year		92,117	81,353
Earnings per share			
Basic and diluted earnings per share (cents)	22	8.89	8.96

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2016

	Group	
	2016	2015
	\$'000	\$'000
Profit for the year	92,117	81,353
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss:		
Foreign currency translation differences relating to financial statements of foreign subsidiaries	4,737	12,121
Effective portion of changes in fair value of cash flow hedges	341	-
Net change in fair value of available-for-sale financial assets	17,212	(21,585)
Net change in fair value of available-for-sale financial assets reclassified to profit or loss	1,824	2,039
Other comprehensive income for the year, net of tax	<u>24,114</u>	<u>(7,425)</u>
Total comprehensive income for the year	<u>116,231</u>	<u>73,928</u>
Total comprehensive income attributable to:		
Equity holders of the Company	112,596	70,691
Non-controlling interests	3,635	3,237
Total comprehensive income for the year	<u>116,231</u>	<u>73,928</u>

There is no income tax attributable to the items in other comprehensive income.

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2016

Group	Note	Attributable to equity holders of the Company					Total \$'000	Non- controlling interests \$'000	Total equity \$'000
		Share capital \$'000	Share premium \$'000	Translation reserve \$'000	Fair value reserve \$'000	Retained earnings \$'000			
At 1 January 2015		1,690	74,859	6,425	31,271	226,901	341,146	6,988	348,134
Total comprehensive income for the year									
Profit for the year		-	-	-	-	78,058	78,058	3,295	81,353
Total other comprehensive income		-	-	12,121	(19,488)	-	(7,367)	(58)	(7,425)
Total comprehensive income for the year									
		-	-	12,121	(19,488)	78,058	70,691	3,237	73,928
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Contribution from non-controlling interest		-	-	-	-	-	-	53	53
Dividends to equity holders	14	-	-	-	-	(42,257)	(42,257)	(2,983)	(45,240)
Issue of ordinary shares related to rights issue, net of issue expenses	14	305	150,428	-	-	-	150,733	-	150,733
Total transactions with owners									
		305	150,428	-	-	(42,257)	108,476	(2,930)	105,546
At 31 December 2015	14	1,995	225,287	18,546	11,783	262,702	520,313	7,295	527,608

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2016

Group	Note	Attributable to equity holders of the Company						Total	Non-controlling interests	Total equity
		Share capital	Share premium	Translation reserve	Hedging reserve	Fair value reserve	Retained earnings			
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2016		1,995	225,287	18,546	–	11,783	262,702	520,313	7,295	527,608
Total comprehensive income for the year										
Profit for the year		–	–	–	–	–	88,661	88,661	3,456	92,117
Total other comprehensive income		–	–	4,737	341	18,857	–	23,935	179	24,114
Total comprehensive income for the year		–	–	4,737	341	18,857	88,661	112,596	3,635	116,231
Transactions with owners, recorded directly in equity										
Contributions by and distributions to owners										
Contribution from non-controlling interest		–	–	–	–	–	–	–	626	626
Dividends to equity holders	14	–	–	–	–	–	(49,864)	(49,864)	(3,415)	(53,279)
Issue of ordinary shares related to rights issue, net of issue expenses	14	–	10	–	–	–	–	10	–	10
Acquisition of non-controlling interests without a change in control		–	–	–	–	–	(633)	(633)	(1,089)	(1,722)
Total transactions with owners		–	10	–	–	–	(50,497)	(50,487)	(3,878)	(54,365)
At 31 December 2016	14	1,995	225,297	23,283	341	30,640	300,866	582,422	7,052	589,474

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2016

	Group	
	2016 \$'000	2015 \$'000
Cash flows from operating activities		
Profit for the year	92,117	81,353
Adjustments for:		
Amortisation of intangible assets	262	244
Depreciation of plant and equipment	1,247	769
Distribution income	(29,363)	(11,899)
Loss on fair valuation/disposal of financial assets	1,436	471
Interest expense	1,414	2,556
Interest income	(271)	(185)
Impairment loss on available-for-sale financial assets	1,824	2,039
Gain on disposal of plant and equipment	(21)	(3)
Management fees received/receivable in units of real estate investment trusts	(68,819)	(65,573)
Share of profit of associates and joint ventures	(5,205)	(7,465)
Tax expense	14,592	14,095
	<u>9,213</u>	<u>16,402</u>
Change in trade and other receivables	(134)	(2,173)
Change in trade and other payables	10,285	(7,078)
Cash generated from operating activities	19,364	7,151
Distribution income received	29,513	12,006
Proceeds from sale of units in real estate investment trusts	37,133	16,638
Tax paid	(14,552)	(12,831)
Net cash from operating activities	<u>71,458</u>	<u>22,964</u>
Cash flows from investing activities		
Acquisition of interest in joint ventures	(7,742)	(6,027)
Acquisition of non-controlling interests without change in control	(1,722)	–
Dividends received from associates	1,045	1,899
Contribution from non-controlling interests	626	53
Interest received	271	185
Proceeds from disposal of plant and equipment	311	12
Purchase of plant and equipment	(1,665)	(1,108)
Software development expenditure	(207)	(336)
Purchase of available-for-sale securities, net	(82,975)	(88,521)
Net cash used in investing activities	<u>(92,058)</u>	<u>(93,843)</u>

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2016

	Note	Group 2016 \$'000	2015 \$'000
Cash flows from financing activities			
Dividends paid		(53,279)	(45,240)
Interest paid		(1,414)	(2,556)
Issue of ordinary shares related to rights issue, net of issue expenses		-	150,733
Proceeds from/(Payment of) finance lease liabilities, net		164	(45)
Proceeds from/(Payment of) borrowings, net		107,700	(20,195)
Net cash from financing activities		<u>53,171</u>	<u>82,697</u>
Net increase in cash and cash equivalents			
Cash and cash equivalents at 1 January		76,742	64,430
Effect of exchange rate fluctuations on cash held		(246)	494
Cash and cash equivalents at 31 December	13	<u>109,067</u>	<u>76,742</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 Board of Directors on 16 March 2017.

1. DOMICILE AND ACTIVITIES

ARA Asset Management Limited (the “Company”) is incorporated as an exempted company with limited liability in Bermuda and has its registered office at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of business is at 6 Temasek Boulevard, #16-02 Suntec Tower 4, Singapore 038986. The Company was admitted to the official list of the Mainboard of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 2 November 2007.

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiaries are those relating to the provision of real estate fund management services, including acting as the manager for real estate investment trusts (both public-listed and privately-held) and private real estate funds, as well as the provision of real estate management services and corporate finance advisory services.

The financial statements of the Company as at and for the financial year ended 31 December 2016 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”) and the Group’s interest in associates and joint ventures.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (“FRS”).

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company’s functional currency. All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the 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.

NOTES TO THE FINANCIAL STATEMENTS

2. BASIS OF PREPARATION *(cont'd)*

2.4 Use of estimates and judgements *(cont'd)*

(i) Measurement of fair values

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

The Group has an established control framework with respect to the measurement of fair values. The Group's Asset Portfolio team has the overall responsibility for all significant fair value measurements, including Level 3 fair values.

The Asset Portfolio team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the team assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of FRS, including the level in the fair value hierarchy in which such valuations should be classified. Significant changes in fair value measurements are reflected in the internal monthly management report.

When measuring the fair value of an asset or a liability, the Group uses observable market 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 within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- 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 Group 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 Note 17 – Financial instruments.

(ii) Judgements

Determination of control over investees

Management applies its judgement to determine whether the control indicators set out in Note 3.1(ii) indicate that the Group controls a real estate investment trust ("REIT") or an investment fund.

The Group acts as a manager to a number of REITs and investment funds. When determining whether the Group controls a REIT or an investment fund, the Group focuses on the assessment of the aggregate economic interests of the Group in the REIT or the fund (comprising any carried interests and expected management fees) and the investors' right to remove the manager of the REIT or the fund.

NOTES TO THE FINANCIAL STATEMENTS

2. BASIS OF PREPARATION *(cont'd)*

2.4 Use of estimates and judgements *(cont'd)*

(ii) Judgements *(cont'd)*

For all the REITs managed by the Group, the Group's equity interest is less than 7% and the aggregate economic interest in each case is not expected to be significant. As a result, the Group has concluded that it acts as an agent for the unitholders in all cases, and therefore has not consolidated these REITs.

For all investment funds currently managed by the Group, the other investors (whose numbers ranges from 1 to 30, excluding the Group) are able to vote by simple majority to remove the Group as fund manager without cause and are therefore substantive. The Group's equity interest ranges from 2% to less than 30% and the aggregate economic exposure is not expected to exceed 40%. As a result, the Group has concluded that it acts as an agent for the investors in all cases, and therefore has not consolidated these funds.

For further disclosure in respect of unconsolidated REITs and investment funds in which the Group has an interest, see Note 8.

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 Group entities.

3.1 Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method in accordance with FRS 103 *Business Combination* as at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.1 Basis of consolidation *(cont'd)*

(i) Business combinations *(cont'd)*

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other non-controlling interests are measured at acquisition-date fair value, unless another measurement basis is required by FRSs.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(iii) Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.1 Basis of consolidation *(cont'd)*

(iv) Investments in associates and joint ventures (“equity-accounted investees”)

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost, which includes transactions costs. Subsequent to initial recognition, the consolidated financial statements include the Group’s share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date the significant influence or joint control ceases.

When the Group’s share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee’s operations or has made payments on behalf of the investee.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group’s interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(vi) Subsidiaries, associates and joint ventures in the separate financial statements

Investments in subsidiaries, associates and joint ventures are stated in the Company’s statement of financial position at cost less accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss, except for differences arising on the translation of available-for-sale equity instruments (except on impairment in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss), which is recognised in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising from acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at the exchange rates at the reporting date.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in other comprehensive income, and are presented in the translation reserve in equity.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.3 Plant and equipment

(i) 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. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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 (calculated as the difference between the net proceeds from disposal with the carrying amount of the item) is recognised in profit or loss.

(ii) 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 Group, 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 profit or loss as incurred.

(iii) 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 calculated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

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:

Fittings and office equipment	–	3 to 5 years
Motor vehicles	–	5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.4 Intangible assets

(i) Acquired contractual rights

Intangible assets represent acquired contractual rights with finite useful lives. It is measured at cost less accumulated amortisation and accumulated impairment losses.

(ii) Software

Cost associated with development of software are capitalised on the basis of the costs incurred to acquire and ability to use the specific software. Capitalised cost is measured at cost less accumulated amortisation and accumulated impairment losses.

(iii) Amortisation

Amortisation is calculated based on the cost of the asset, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are acquired or available for use. The estimated useful lives for the current and comparative years are as follows:

Acquired contractual rights	–	3 to 6 years
Capitalised software costs	–	5 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.5 Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date the Group becomes a party to the contractual provisions of the instrument.

The Group 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 Group is recognised as a separate asset or liability.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group 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 Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.5 Financial instruments *(cont'd)*

(i) Non-derivative financial assets *(cont'd)*

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein, which takes into account any dividend income, are recognised in profit or loss.

Financial assets classified as held for trading comprise investments in listed real estate investment trust units actively managed by the Group's management to address short-term liquidity needs.

Financial assets designated at fair value through profit or loss comprise investments in private real estate funds.

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 comprise cash balances and bank deposits with original maturities of three months or less.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets. Available-for-sale financial assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses (see Note 3.6 (i)), are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Available-for-sale financial assets comprise primarily investments in real estate investment trust units and private real estate funds that are managed by the Group.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.5 Financial instruments *(cont'd)*

(ii) Non-derivative financial liabilities

The Group initially recognises all financial liabilities on the date that they are originated. Financial liabilities for contingent consideration payable in a business combination are recognised at the date of acquisition. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

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

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legally enforceable 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 Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Financial liabilities comprise loans and borrowings and trade and other payables.

(iii) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(iv) Derivative financial instruments, including hedging accounting

The Group holds derivative financial instruments to hedge its interest rate risk exposures. On initial designation of the derivative as the hedging instrument, the Group formally documents the relationship between the hedging instrument and the 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 Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of 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 could ultimately affect reported profit or loss.

Derivatives are initially measured at fair value; any attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.5 Financial instruments *(cont'd)*

(iv) Derivative financial instruments, including hedging accounting *(cont'd)*

Cash flow hedges

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 profit or loss, 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 equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The amount accumulated in equity is reclassified to profit or loss in the same period that the hedged item affects profit or loss. 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 equity is reclassified to profit or loss.

Other non-trading derivatives

When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognised immediately in profit or loss.

3.6 Impairment

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss, including an interest in an associate and joint venture, 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 (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment. The Group considers a decline of 20% to be significant and a period of 9 months to be prolonged.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.6 Impairment *(cont'd)*

(i) Non-derivative financial assets *(cont'd)*

Loans and receivables

The Group 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 Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement 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 profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When the Group 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 profit or loss.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in cumulative impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed. The amount of the reversal is recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

Associates and joint ventures

An impairment loss in respect of an associate or joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with Note 3.6(ii). An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.6 Impairment *(cont'd)*

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. 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.

3.7 Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised in the Group's statement of financial position.

3.8 Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance lease is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. This will be the case if the following two criteria are met:

- the fulfilment of the arrangement is dependent on the use of a specific asset or assets; and
- the arrangement contains a right to use the underlying asset.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.8 Lease payments *(cont'd)*

Determining whether an arrangement contains a lease (cont'd)

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently, the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

3.9 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit sharing if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(iii) Other long-term employee benefits

The Group has put in place a deferred compensation scheme which is designed to retain individual key executives managing the funds by offering them an opportunity to invest in the funds and to align the interests of key executives with that of the institutional fund investors in appropriately managing the funds' risks and returns.

The fair value of the amount payable to these key executives in respect of the deferred compensation scheme, which is settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period that the key executives become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of their investment in these funds. Any changes in the fair value of the liability are recognised as employee benefits expense in profit or loss.

3.10 Revenue recognition

(i) REIT management fees

REIT management fees, comprising base and/or performance fees, are derived from the management of REITs and are determined based on the value of the real estate assets or total gross assets under management and net property income of the REITs managed, respectively. These fees are recognised on an accrual basis.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.10 Revenue recognition *(cont'd)*

(ii) Acquisition, divestment and performance fees

Acquisition/divestment fees relate to fees earned in relation to the acquisition/divestment of properties by REITs and certain private real estate funds. The acquisition/divestment fees are determined based on the value of the properties acquired/divested and are recognised when the services have been rendered.

Performance fees relate to advisory and consultancy fees and fees earned in relation to private real estate funds where the returns of the private real estate funds exceed certain specified hurdles. Advisory and consultancy fees include project management fees and corporate finance advisory fees which are determined based on contracted terms and are recognised when the services have been rendered.

(iii) Portfolio management fees

Portfolio management fees are derived from the management of private real estate funds and are determined based on committed capital, invested capital or portfolio value. These fees are recognised on an accrual basis.

(iv) Real estate management service fees

Real estate management service fees are derived from the provision of property management services and convention and exhibition services rendered. These fees include marketing services fees, advertising fees and commissions and promotion commissions, and are recognised on an accrual basis.

3.11 Finance income and finance costs

Finance income comprises income on funds invested (including available-for-sale financial assets), distribution income, dividend income, gains on the disposal of available-for-sale financial assets and fair value gains on financial assets at fair value through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Distribution income and dividend income are recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

Finance costs comprise interest expense on financial liabilities, fees incurred in connection with the arrangement of debt facility, losses on disposal of available-for-sale financial assets, fair value losses on financial assets at fair value through profit or loss and impairment losses recognised on financial assets (other than trade receivables), losses on hedging instruments that are recognised in profit or loss and reclassifications of net losses previously recognised in Other Comprehensive Income.

Borrowing costs that are not directly attributable to the acquisition of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.12 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

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. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

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;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group 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 deferred tax 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 Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group 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 judgements about future events. New information may become available that causes the Group to change its judgement 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.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.13 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, and for the effects of all dilutive potential ordinary shares.

3.14 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed monthly by the Group Chief Executive Officer ("Group CEO") to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results reported to the Group CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, finance lease liabilities, and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire plant and equipment, and intangible assets other than goodwill.

3.15 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 Group has not early applied the following new or amended standards in preparing these statements.

For those new standards and amendments to standards that are expected to have an effect on the financial statements of the Group and the Company in future financial periods, the Group has set up project teams to assess the transition options and the potential impact on its financial statements, and to implement these standards. Management monitors the progress of implementing these standards, which includes project implementation status, key reporting and business risks and the implementation approach. The Group does not plan to adopt these standards early.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.15 New standards and interpretations not yet adopted (cont'd)

Applicable to 2018 financial statements

New standards	Potential impact on the financial statements
<p>FRS 115 Revenue from Contracts with Customers</p> <p>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.</p> <p>When effective, FRS 115 replaces existing revenue recognition guidance, including FRS 18 <i>Revenue</i>, FRS 11 <i>Construction Contracts</i>, INT FRS 113 <i>Customer Loyalty Programmes</i>, INT FRS 115 <i>Agreements for the Construction of Real Estate</i>, INT FRS 118 <i>Transfers of Assets from Customers and</i> INT FRS 31 <i>Revenue – Barter Transactions Involving Advertising Services</i>.</p> <p>FRS 115 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. FRS 115 offers a range of transition options including full retrospective adoption where an entity can choose to apply the standard to its historical transactions and retrospectively adjust each comparative period presented in its 2018 financial statements. When applying the full retrospective method, an entity may also elect to use a series of practical expedients to ease transition.</p>	<p>During 2016, the Group performed an initial assessment of the impact on the Group's financial statements.</p> <p>Based on its initial assessment, the Group does not expect any significant change to how it recognises revenue from its various business segments.</p> <p>Transition – The Group plans to adopt the standard when it becomes effective in 2018. The Group is currently performing a detailed analysis under FRS 115 to determine its election of the practical expedients and to quantify the transition adjustments on its financial statements.</p>
<p>FRS 109 Financial Instruments</p> <p>FRS 109 replaces most of the existing guidance in FRS 39 <i>Financial Instruments: Recognition and Measurement</i>. 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.</p> <p>FRS 109 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. Retrospective application is generally required, except for hedge accounting. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.</p>	<p>During 2016, the Group performed an initial assessment of the impact on the Group's financial statements.</p> <p>Overall, the Group does not expect a significant impact on its opening equity. The impairment loss recognised in the income statement on the Available-for-sale ("AFS") equity securities will be reclassified from retained earnings to reserves.</p> <p>The Group's initial assessment of the three elements of FRS 109 is as described below.</p> <p>Classification and measurement – The Group does not expect a significant change to the measurement basis arising from adopting the new classification and measurement model under FRS 109.</p>

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.15 New standards and interpretations not yet adopted (cont'd)

Applicable to 2018 financial statements (cont'd)

New standards	Potential impact on the financial statements
<p data-bbox="288 786 692 815">FRS 109 <i>Financial Instruments</i> (cont'd)</p> <p data-bbox="288 831 826 931">Restatement of comparative information is not mandatory. If comparative information is not restated, the cumulative effect is recorded in opening equity as at 1 January 2018.</p>	<p data-bbox="863 831 1362 904">Loans and receivables that are currently accounted for at amortised cost will continue to be accounted for using amortised cost model under FRS 109.</p> <p data-bbox="863 931 1362 1055">For financial assets currently held at fair value, the Group expects to continue measuring most of these assets at fair value under FRS 109. The expected classification and measurement of these financial assets under FRS 109 is summarised below:</p> <ul data-bbox="863 1081 1362 1559" style="list-style-type: none"> <li data-bbox="863 1081 1362 1379">• The AFS equity securities comprising units held in listed REITs, seed capital investments in private real estate funds and investment in a privately-held REIT, are held as long-term investments. For these, the Group expects to elect to present subsequent changes in fair value in Other Comprehensive Income. Under FRS 109, only dividend income is recognised in profit or loss. Any subsequent fair value changes are recognised in Other Comprehensive Income and will not be reclassified to profit or loss even upon divestment. <li data-bbox="863 1406 1362 1559">• Equity securities that are currently classified as held for trading and those that are currently designated at fair value through profit or loss will continue to be classified as financial assets subsequently measured at fair value through profit or loss. <p data-bbox="863 1585 1362 1731">Impairment – The Group plans to apply the simplified approach and record lifetime expected impairment losses on all trade receivables. On adoption of FRS 109, the Group does not expect any significant increase in the impairment loss allowance.</p> <p data-bbox="863 1758 1362 1859">Hedge accounting – The Group expects that all its existing hedges that are designated in effective hedging relationships will continue to qualify for hedge accounting under FRS 109.</p> <p data-bbox="863 1886 1362 1982">Transition – The Group plans to adopt the standard when it becomes effective in 2018 without restating comparative information; and is gathering data to quantify the potential impact arising from the adoption.</p>

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.15 New standards and interpretations not yet adopted (cont'd)

Convergence with International Financial Reporting Standards ("IFRS")

In Singapore Exchange's ("SGX") communiqué issued in December 2016, the following development in Singapore accounting standards was shared, where all SGX-listed companies and Business Trusts, regardless of their place of incorporation currently reporting under SFRS, will be required by SGX to apply a new financial reporting framework identical to the International Financial Reporting Standards (referred to as SG-IFRS in these financial statements) for the financial year ending 31 December 2018 onwards. This will ensure consistent reporting standard for all listed issuers.

In the event that the scheme of arrangement to acquire all of the issued and fully paid-up ordinary shares in the capital of the Company by Athena Investment Company (Cayman) Limited is not approved (see Note 28), the Group will perform a detailed analysis of the available policy choices, transitional optional exemptions and transitional mandatory exceptions under SG-IFRS 1 *First-time adoption of International Financial Reporting Standards* for the transition to the new reporting framework.

Applicable to 2019 financial statements

New standards

Summary of the requirements

Potential impact on the 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.

The Group plans to adopt the standard when it becomes effective in 2019. The Group will perform a detailed analysis of the standard, including the transition options and practical expedients in 2017.

NOTES TO THE FINANCIAL STATEMENTS

4. PLANT AND EQUIPMENT

Group	Fittings and office equipment \$'000	Motor vehicles \$'000	Total \$'000
Cost			
At 1 January 2015	4,197	677	4,874
Additions	1,108	–	1,108
Disposals	(89)	–	(89)
Effect of movement in exchange rates	64	16	80
At 31 December 2015	5,280	693	5,973
Additions	1,344	321	1,665
Disposals	(337)	(242)	(579)
Effect of movement in exchange rates	(13)	4	(9)
At 31 December 2016	6,274	776	7,050
Accumulated depreciation			
At 1 January 2015	2,874	234	3,108
Depreciation for the year	651	118	769
Disposals	(80)	–	(80)
Effect of movement in exchange rates	56	15	71
At 31 December 2015	3,501	367	3,868
Depreciation for the year	1,105	142	1,247
Disposals	(47)	(242)	(289)
Effect of movement in exchange rates	(2)	7	5
At 31 December 2016	4,557	274	4,831
Carrying amounts			
At 1 January 2015	1,323	443	1,766
At 31 December 2015	1,779	326	2,105
At 31 December 2016	1,717	502	2,219

Leased motor vehicles

During the year, additions to motor vehicles financed by new finance leases was \$321,000 (2015: Nil). As at 31 December 2016, the carrying amount of motor vehicles held under finance lease was \$502,000 (2015: \$326,000). The amount outstanding under the finance lease agreement is set out in Note 15 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

5. INTANGIBLE ASSETS

Group	Acquired contractual rights \$'000	Software \$'000	Total \$'000
Cost			
At 1 January 2015	1,224	–	1,224
Additions for the year	–	336	336
At 31 December 2015	1,224	336	1,560
Additions for the year	–	207	207
At 31 December 2016	1,224	543	1,767
Accumulated amortisation and impairment			
At 1 January 2015	169	–	169
Amortisation for the year	238	6	244
At 31 December 2015	407	6	413
Amortisation for the year	239	23	262
At 31 December 2016	646	29	675
Carrying amounts			
At 1 January 2015	1,055	–	1,055
At 31 December 2015	817	330	1,147
At 31 December 2016	578	514	1,092

6. SUBSIDIARIES

	Company	
	2016 \$'000	2015 \$'000
Equity investments at cost	67,802	67,802
Shareholders' loan to subsidiaries	344,523	224,206
Less: Impairment loss	(229)	–
	412,096	292,008

The shareholders' loan to subsidiaries are unsecured and interest-free with no specified repayment date. The settlement of the amount is neither planned nor likely to occur in the foreseeable future. As the amount is, in substance, a part of the Company's net investment in the subsidiaries, it is stated at cost.

In 2016, the Company provided for impairment loss totalling \$229,000 which arose from a review of the recoverable amount, determined based on the estimated fair value of the subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

6. SUBSIDIARIES *(cont'd)*

Details of significant and/or principal subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Effective ownership interest	
		2016 %	2015 %
ARA Asset Management (Fortune) Limited ⁽¹⁾⁽²⁾	Republic of Singapore	100	100
ARA Trust Management (Suntec) Limited ⁽¹⁾	Republic of Singapore	100	100
ARA Management Pte. Ltd. ⁽¹⁾	Republic of Singapore	100	100
ARA Asset Management (Prosperity) Limited ⁽²⁾	Hong Kong	100	100
ARA-CWT Trust Management (Cache) Limited ⁽¹⁾	Republic of Singapore	60	60
ARA Managers (APF) Pte. Ltd. ⁽¹⁾	Republic of Singapore	100	100
ARA Fund Management (Asia Dragon II) Limited ⁽¹⁾	Bermuda	100	100
ARA Fund Management (CIP) Limited ⁽¹⁾	Bermuda	100	100
Jadeline Capital Sdn. Bhd. ⁽²⁾	Malaysia	100	100
ARA Investors II Limited ⁽³⁾	British Virgin Islands	100	100
ARA Real Estate Investors V Limited ⁽³⁾	British Virgin Islands	100	100
ARA Real Estate Investors VI Limited ⁽³⁾	British Virgin Islands	100	100
ARA Real Estate Investors VII Limited ⁽³⁾	British Virgin Islands	100	100
ARA Real Estate Investors VIII Limited ⁽³⁾	British Virgin Islands	100	100
ARA Real Estate Investors IX Limited ⁽³⁾	British Virgin Islands	100	100

NOTES TO THE FINANCIAL STATEMENTS

6. SUBSIDIARIES *(cont'd)*

Details of significant and/or principal subsidiaries are as follows: *(cont'd)*

Name of subsidiary	Country of incorporation	Effective ownership interest	
		2016 %	2015 %
ARA Real Estate Investors X Pte. Ltd. ⁽¹⁾	Republic of Singapore	90.1	90.1
ARA Real Estate Investors XI Limited ⁽³⁾	British Virgin Islands	100	100
ARA Real Estate Investors XII Limited ⁽³⁾	British Virgin Islands	100	100
ARA Real Estate Investors XIII Limited ⁽³⁾	British Virgin Islands	100	100
ARA Managers (Harmony) Pte. Ltd. ⁽¹⁾	Republic of Singapore	100	100
Suntec Singapore International Convention & Exhibition Services Pte. Ltd. ⁽¹⁾	Republic of Singapore	100	100
APM Property Management Pte. Ltd. ⁽¹⁾	Republic of Singapore	100	100
SC Property Management Co. Ltd. ⁽²⁾	Hong Kong	57	51
Asia Property Management (China) Limited ^{(2) (4)}	Hong Kong	48.45	33.2
ARA Fund Management (MIP) Limited ⁽¹⁾	Bermuda	100	100
ARA Fund Management (Harmony III) Limited ⁽¹⁾	Cayman Islands	65	65
ARA Fund Management (SDF) Limited ⁽¹⁾	Cayman Islands	100	100
ARA Managers (SIP) Pte. Ltd. ⁽¹⁾	Republic of Singapore	100	100
ARA Korea Limited ⁽²⁾	Republic of Korea	90.1	90.1

NOTES TO THE FINANCIAL STATEMENTS

6. SUBSIDIARIES (cont'd)

Details of significant and/or principal subsidiaries are as follows: (cont'd)

Name of subsidiary	Country of incorporation	Effective ownership interest	
		2016 %	2015 %
ARAM Australia Pty Ltd ⁽²⁾	Australia	90	90
ARA Fund Management (PIP) Limited ⁽¹⁾	Cayman Islands	100	100
ARA Real Estate Investors XV Limited ⁽³⁾	British Virgin Islands	100	100

⁽¹⁾ Audited by KPMG LLP, Singapore.

⁽²⁾ Audited by other member firms of KPMG International.

⁽³⁾ Not required to be audited by law of country of incorporation.

⁽⁴⁾ Although the Group owns less than half of the voting power in this company, it is able to govern the financial and operating policies of the company by virtue of an agreement with the other investors of Asia Property Management (China) Limited and its subsidiaries. Consequently, it is determined that the Group controls this company and consolidates its investment in the company and its subsidiaries.

KPMG LLP is the auditor of all significant Singapore-incorporated, Bermuda-incorporated and Cayman Islands-incorporated subsidiaries. Other member firms of KPMG International are auditors of significant foreign-incorporated subsidiaries except for subsidiaries incorporated in the British Virgin Islands, Cayman Islands and Bermuda which are not required to be audited under the laws prevailing in their respective jurisdiction. For this purpose, a subsidiary is considered significant as defined under the Singapore Exchange Limited Listing Manual if its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 20% or more of the Group's consolidated pre-tax profits.

7. ASSOCIATES AND JOINT VENTURES

	Group	
	2016 \$'000	2015 \$'000
Interests in associates	6,720	10,172
Interest in joint ventures	13,707	6,019
At 31 December	<u>20,427</u>	<u>16,191</u>

An associate is considered significant as defined under the Singapore Exchange Limited Listing Manual if the Group's share of its net tangible assets represents 20% or more of the Group's consolidated net tangible assets, or if the Group's share of its pre-tax profits accounts for 20% or more of the Group's consolidated pre-tax profits.

NOTES TO THE FINANCIAL STATEMENTS

7. ASSOCIATES AND JOINT VENTURES (cont'd)

Associates

The Group has interests in a number of associates that are individually immaterial to the Group. All are equity accounted. The following table summarises, in aggregate, the carrying amount and share of profit of the individually immaterial associates.

	Group	
	2016 \$'000	2015 \$'000
Group's interest in net assets of investee at beginning of the year	10,172	6,006
Group's share of:		
- profit from continuing operations	5,267	7,473
- other comprehensive income	(626)	(34)
- total comprehensive income	4,641	7,439
Effect of movement in exchange rates	536	889
Dividends received in cash and/or in units of real estate investment trust	(8,629)	(4,162)
Carrying amount of interest in investee at the end of the year	6,720	10,172

Details of associates are as follows:

Name of associate	Country of incorporation	Effective ownership interest	
		2016 %	2015 %
Am ARA REIT Holdings Sdn. Bhd. ⁽¹⁾	Malaysia	30	30
Am ARA REIT Managers Sdn. Bhd. ⁽¹⁾	Malaysia	30	30
Cache Property Management Pte. Ltd. ⁽²⁾	Republic of Singapore	40	40
World Deluxe Enterprises Limited ⁽³⁾	British Virgin Islands	30	30
Hui Xian Asset Management Limited ⁽⁴⁾	Hong Kong	30	30
Beijing Hui Xian Enterprise Services Limited ⁽⁵⁾	People's Republic of China	30	30

⁽¹⁾ Audited by Ernst & Young, Malaysia.

⁽²⁾ Audited by KPMG LLP, Singapore.

⁽³⁾ Not required to be audited by law of country of incorporation.

⁽⁴⁾ Audited by Deloitte Touche Tohmatsu, Hong Kong.

⁽⁵⁾ Audited by 北京希文会计师事务所 (Beijing Xi Wen Certified Public Accountants), China. (Note: The English name is for identification purpose only.)

NOTES TO THE FINANCIAL STATEMENTS

7. ASSOCIATES AND JOINT VENTURES (cont'd)

Joint ventures

The Group has interests in a number of joint ventures that are individually immaterial to the Group. The following table summarises, in aggregate, the carrying amount and share of profit of these joint ventures that are accounted for using the equity method.

	Group	
	2016 \$'000	2015 \$'000
Group's interest in net assets of investee at beginning of the year	6,019	–
Share of interest acquired	7,742	6,027
Group's share of:		
- loss from continuing operations	(62)	(8)
- total comprehensive income	(62)	(8)
Effect of movement in exchange rates	8	–
Carrying amount of interest in investee at the end of the year	13,707	6,019

Details of the joint ventures are as follows:

Name of joint venture	Country of incorporation	Ownership interest	
		2016 %	2015 %
ARA-ShinYoung REIT ⁽¹⁾	South Korea	50	50
ARA-ShinYoung REIT No. 2 ⁽¹⁾	South Korea	50	–

(1) Audited by Deloitte Anjin LLC, South Korea.

NOTES TO THE FINANCIAL STATEMENTS

8. INVOLVEMENT WITH UNCONSOLIDATED STRUCTURED ENTITIES

The table below describes the types of structured entities that the Group does not consolidate but in which it holds an interest.

Type of structured entity	Nature and purpose	Interest held by the Group	Total assets	
			2016 \$'million	2015 \$'million
REITs and Investment funds	To generate fees from managing assets on behalf of investors. These vehicles are financed through the issue of equity to investors.	<ul style="list-style-type: none"> • Investments in equity issued by the fund • Investments in units issued by the REITs • Management fees 	34,693	34,220

The table below sets out an analysis of the carrying amounts of interest held by the Group in unconsolidated REITs and investment funds. The maximum exposure to loss is the carrying amount of the assets held.

	2016 \$'000	2015 \$'000
Carrying amount		
Financial assets (non-current and current)	561,721	430,803

9. FINANCIAL ASSETS

	Group	
	2016 \$'000	2015 \$'000
Non-current		
Quoted available-for-sale financial assets	266,256	171,061
Unquoted available-for-sale financial assets	249,578	216,288
Unquoted financial assets designated at fair value through profit or loss	10,444	9,945
	<u>526,278</u>	<u>397,294</u>
Current		
Quoted financial assets held for trading	35,443	33,509

Quoted financial assets relate to units held in listed REITs. Certain quoted available-for-sale securities with an aggregate amount of \$213,038,000 (2015: \$120,558,000) relate to units held in certain listed REITs which are pledged as security to obtain credit facilities.

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCIAL ASSETS (cont'd)

The carrying value of unquoted available-for-sale financial assets consists of seed capital investments in private real estate funds of \$236,693,000 (2015: \$205,157,000) and investments in privately-held REITs of \$12,885,000 (2015: \$11,131,000). All of the unquoted available-for-sale financial assets are stated at their fair values.

The unquoted financial assets designated at fair value through profit or loss are units held in certain private real estate funds that otherwise would have been classified as available-for-sale. The performance of these unquoted financial assets designated at fair value through profit or loss is actively monitored and are managed on a fair value basis.

The Group's exposure to credit and currency risks related to financial assets are disclosed in Note 17.

Sensitivity analysis - equity price risk

All of the Group's quoted equity financial assets are listed on the SGX-ST, the Stock Exchange of Hong Kong ("HKEx") or the Bursa Malaysia Securities Berhad.

For such investments classified as available-for-sale or held for trading, a 10% increase/ (decrease) in their stock prices at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. The analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2015, as indicated below:

	Equity		Profit or loss	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
SGX-ST	25,728	16,237	1,325	877
HKEx	-	-	2,219	2,474
Bursa Malaysia Securities Berhad	898	869	-	-

10. FINANCIAL DERIVATIVES

Non-current assets	Group	
	2016 \$'000	2015 \$'000
Interest rate swaps used for hedging	341	-

In 2016, the Group entered into interest rate swaps to manage its interest rate risk exposure on its floating rate bank loans by swapping the interest expense on a proportion of these term loans from floating rates to fixed rates. These interest rate swaps with a total notional amount of \$40,000,000 have been designated as hedging instruments in cash flows hedges of the Group with fixed interest rates ranging from 1.28% to 1.32% per annum and the underlying floating rates are referenced to Singapore dollar swap offer rate, which is repriced every three months.

NOTES TO THE FINANCIAL STATEMENTS

11. DEFERRED TAX

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Deferred tax assets				
Tax losses carry-forward	796	712	-	-
Deferred tax liabilities				
Plant and equipment	(189)	(115)	-	-

Movements in temporary differences of the Group during the year are as follows:

Group	At	Recognised	At 31	Recognised	At 31
	1 January 2015 \$'000	in profit or loss (Note 21) \$'000	December 2015 \$'000	in profit or loss (Note 21) \$'000	December 2016 \$'000
Group					
Plant and equipment	(124)	9	(115)	(74)	(189)
Tax losses carry-forward	745	(33)	712	84	796
	621	(24)	597	10	607

NOTES TO THE FINANCIAL STATEMENTS

12. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Trade receivables	6,309	10,794	–	–
Accrued revenue	47,244	24,451	–	–
Tenancy and other deposits	1,476	1,217	–	–
Other receivables	4,565	10,659	6	–
Amount due from a related party, non-trade	278	270	–	–
Loan to a subsidiary	–	–	1,102	–
Amount due from subsidiaries, non-trade	–	–	21,329	13,255
Loans and receivables	59,872	47,391	22,437	13,255
Prepayments	5,677	6,002	35	37
	<u>65,549</u>	<u>53,393</u>	<u>22,472</u>	<u>13,292</u>
Non-current	5,057	5,566	1,102	–
Current	60,492	47,827	21,370	13,292
	<u>65,549</u>	<u>53,393</u>	<u>22,472</u>	<u>13,292</u>

There is no impairment allowance arising from the outstanding balances. The non-trade amounts due from a related party and subsidiaries are unsecured, interest-free and repayable on demand.

Accrued revenue relates to accrual of REIT management fees, portfolio management fees and real estate management services fees.

Non-current receivables for the Group relates to prepayments for agent fees in relation to the private real estate funds under management, which will be amortised over the life of these funds as well as tenancy deposits.

The Group's and Company's exposure to credit and currency risks related to trade and other receivables are disclosed in Note 17.

13. CASH AND CASH EQUIVALENTS

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Cash at bank and in hand	95,350	55,901	6,327	11,517
Short-term fixed deposits	13,717	20,841	–	20,000
Cash and cash equivalents in the statement of cash flows	<u>109,067</u>	<u>76,742</u>	<u>6,327</u>	<u>31,517</u>

The Group's and Company's exposure to credit, interest rate and currency risks related to cash and cash equivalents are disclosed in Note 17.

NOTES TO THE FINANCIAL STATEMENTS

14. CAPITAL AND RESERVES

Share capital

Group and Company	2016 Number of shares '000	2015 Number of shares '000
At 1 January	997,278	845,151
Issue of rights shares	–	152,127
At 31 December	997,278	997,278

On 11 November 2015, the Company launched a 18-for-100 renounceable underwritten rights issue of 152,127,196 new shares at an issue price of \$1.00 for each share (“Rights Issue”), to raise gross proceeds of approximately \$152.1 million.

On 16 December 2015, 152,127,196 new ordinary shares of \$0.002 each in the capital of the Company credited as fully paid were allotted and issued to shareholders of the Company in relation to the Rights Issue. Following the listing of these shares on 17 December 2015, the total number of issued shares in the Company increased from 845,151,093 to 997,278,289.

All the newly issued shares rank pari passu in all respects with the existing ordinary shares.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company’s residual assets.

All issued shares are fully paid, with a par value of \$0.002 each.

Reserves

The reserves of the Group and the Company comprise the following balances:

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Share premium	225,297	225,287	225,297	225,287
Translation reserve	23,283	18,546	–	–
Hedging reserve	341	–	–	–
Fair value reserve	30,640	11,783	–	–
	279,561	255,616	225,297	225,287

NOTES TO THE FINANCIAL STATEMENTS

14. CAPITAL AND RESERVES (cont'd)

Share premium

Share premium is net of cost of issue of new shares.

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Company.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows affect profit or loss.

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the assets are derecognised or impaired.

Dividends

The following dividends were declared and paid by the Group and Company for the year ended 31 December:

	Group and Company	
	2016	2015
Paid by the Company to owners of the Company:	\$'000	\$'000
Interim dividend of \$0.023 per ordinary share (2015: \$0.023)	22,937	19,438
Final dividend of \$0.027 per ordinary share, paid in respect of the previous financial year (2015: \$0.027)	26,927	22,819
	<u>49,864</u>	<u>42,257</u>

There is no final dividend recommended for the year ended 31 December 2016.

	Group	
	2016	2015
	\$'000	\$'000
Paid by subsidiaries to parties with non-controlling interest	<u>3,415</u>	<u>2,983</u>

NOTES TO THE FINANCIAL STATEMENTS

15. LOANS AND BORROWINGS

	Group	
	2016 \$'000	2015 \$'000
Non-current liabilities		
Secured bank loans	80,000	14,000
Finance lease liabilities	174	118
	<u>80,174</u>	<u>14,118</u>
Current liabilities		
Secured bank loans	41,700	–
Finance lease liabilities	153	45
	<u>41,853</u>	<u>45</u>
	<u>122,027</u>	<u>14,163</u>

Information about the Group's exposure to interest rate and liquidity risks is included in Note 17.

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

Group	Currency	Nominal interest rate	Year of maturity	Fair value \$'000	Carrying amount \$'000
2016					
Secured bank loans	SGD	2.07% per annum	2019	80,000	80,000
Secured bank loans	SGD	1.89% per annum	2019	41,700	41,700
Finance lease liabilities	SGD	1.88% per annum	2019	119	119
Finance lease liabilities	HKD	1.60% per annum	2019	208	208
				<u>122,027</u>	<u>122,027</u>
2015					
Secured bank loans	SGD	2.65% per annum	2018	14,000	14,000
Finance lease liabilities	SGD	1.88% per annum	2019	163	163
				<u>14,163</u>	<u>14,163</u>

The secured bank loans of \$80,000,000 (2015: S\$14,000,000) relate to term loans drawn for the Group's general working purposes, seed capital contributions to the private real estate funds and financing acquisition of units issued by Suntec REIT. The facility is secured by 79,109,000 (2015: 33,222,000) units held in Suntec REIT and terminates in May 2019.

The secured bank loans of \$41,700,000 (2015: Nil) relate to a multicurrency revolving credit facility drawn for the Group's general working purposes and financing acquisition of units issued by Suntec REIT. The facility is secured by 39,093,000 (2015: 34,093,000) units held in Suntec REIT and 23,835,000 (2015: 17,922,000) units in Cache Logistics Trust REIT and terminates in May 2019.

NOTES TO THE FINANCIAL STATEMENTS

15. LOANS AND BORROWINGS (cont'd)

In 2016, the Group entered into interest rate swaps to manage its interest rate risk exposure on its floating rate bank loans by swapping the interest expense on a proportion of these term loans from floating rates to fixed rates. These interest rate swaps with a total notional amount of \$40,000,000 have been designated as hedging instruments in cash flows hedges of the Group with fixed interest rates ranging from 1.28% to 1.32% per annum and the underlying floating rates are referenced to Singapore dollar swap offer rate, which is repriced every three months.

Finance lease liabilities

Finance lease liabilities are payable as follows:

Group	2016			2015		
	Principal \$'000	Interest \$'000	Future minimum payments \$'000	Principal \$'000	Interest \$'000	Future minimum payments \$'000
Within 1 year	153	9	162	45	4	49
Between 1 to 5 years	174	12	186	118	11	129
	327	21	348	163	15	178

16. TRADE AND OTHER PAYABLES

	Group		Company	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Trade payables	2,216	3,066	1	139
Accrued expenses	23,988	19,287	3,059	1,204
Other payables	10,633	4,360	–	–
Loan from a shareholder	271	120	–	–
Amount due to a subsidiary, trade	–	–	201	–
Amount due to a subsidiary, non-trade	–	–	53,829	5,280
	37,108	26,833	57,090	6,623
Non-current	2,384	1,832	53,180	5,280
Current	34,724	25,001	3,910	1,343
	37,108	26,833	57,090	6,623

The Group's and the Company's exposure to currency risks and to liquidity risks related to trade and other payables are disclosed in Note 17.

The loan from a shareholder is unsecured, interest-free and repayable on demand.

The outstanding balance with a subsidiary is unsecured.

NOTES TO THE FINANCIAL STATEMENTS

17. FINANCIAL INSTRUMENTS

Financial risk management

Overview

The Group has exposure to the following risks from financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group'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 Group's activities.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by the Group Risk Management and Internal Audit Division. The Group Risk Management and Internal Audit Division undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from counterparties and investment securities.

The carrying amount of financial assets in the statement of financial position represent the Group's and the Company's maximum exposure to credit risk, before taking into account any collateral held. The Group and the Company do not hold any collateral in respect of its financial assets.

Trade and other receivables

Risk management policy

The Group's exposure to credit risk arises mainly through its trade and accrued fees receivables from REITs, real estate management and private real estate funds. Exposure to credit risk is monitored on an ongoing basis.

Investments and other financial assets

Risk management policy

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash and cash equivalents and other financial assets. Credit risk on cash and cash equivalents is limited because these are placed with regulated financial institutions. Credit risk on other financial assets is limited because the counterparties are entities with high credit quality and/or acceptable credit ratings. These financial assets are monitored on an ongoing basis by management.

NOTES TO THE FINANCIAL STATEMENTS

17. FINANCIAL INSTRUMENTS (cont'd)

Credit risk (cont'd)

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	Group		Company	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Loans and receivables					
- Loans and receivables	12	59,872	47,391	22,437	13,255
- Cash and cash equivalents	13	109,067	76,742	6,327	31,517
		<u>168,939</u>	<u>124,133</u>	<u>28,764</u>	<u>44,772</u>

Impairment losses

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

The aging of trade and other receivables that was not impaired at the reporting date was:

	Group	
	2016 \$'000	2015 \$'000
Not past due	9,996	20,377
Past due 0 - 60 days	427	763
Past due 61 - 120 days	115	93
More than 120 days	336	220
	<u>10,874</u>	<u>21,453</u>

The Group believes that the unimpaired amounts that are past due by more than 60 days are still collectible in full, based on historical payment behaviour and extensive analyses of customer credit risk. Based on historical default rates, the Group believes that no impairment allowance is necessary as these accounts mainly relates to customers that have a good payment record with the Group. None of the other receivables are past due.

NOTES TO THE FINANCIAL STATEMENTS

17. FINANCIAL INSTRUMENTS *(cont'd)*

Liquidity risk

Risk management policy

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

In addition, the Group maintains the following lines of credit:

- An unutilised multicurrency revolving credit facility of \$7.9 million (2015: \$49.6 million) secured on the Group's strategic stakes in Suntec REIT and Cache Logistics Trust. The facility bears interest at a fixed spread over the corresponding benchmark rate of the available currencies and terminates in May 2019.
- An unutilised unsecured money market line of \$100.0 million (2015: \$80.0 million). The facility bears interest at a fixed spread over the corresponding benchmark rate of the available currencies.
- \$6.0 million (2015: \$6.0 million and HK\$3.0 million) overdraft facilities that are unsecured. Interest would be payable at the respective Singapore prime lending rates.

The Group has contractual commitments to incur capital expenditure with regard to its investments in various private real estate funds (see Note 26).

NOTES TO THE FINANCIAL STATEMENTS

17. FINANCIAL INSTRUMENTS (cont'd)

Liquidity risk (cont'd)

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities which are measured at amortised cost including estimated interest payments but excluding the impact of netting agreements:

	Carrying amount \$'000	Cash flows		
		Contractual cash flows \$'000	Within 1 year \$'000	Within 1 to 5 years \$'000
Group				
2016				
Non-derivative financial liabilities				
Finance lease liabilities	327	(348)	(162)	(186)
Trade and other payables	37,108	(37,108)	(34,724)	(2,384)
Secured bank loans	121,700	(126,490)	(44,183)	(82,307)
	159,135	(163,946)	(79,069)	(84,877)
Derivative financial instrument				
Interest rate swaps used for hedging (net settled)	(341)	398	167	231
2015				
Non-derivative financial liabilities				
Finance lease liabilities	163	(178)	(49)	(129)
Trade and other payables	26,833	(26,833)	(25,001)	(1,832)
Secured bank loans	14,000	(15,113)	(371)	(14,742)
	40,996	(42,124)	(25,421)	(16,703)
Company				
2016				
Trade and other payables	57,090	(57,090)	(3,910)	(53,180)
2015				
Trade and other payables	6,623	(6,623)	(1,343)	(5,280)

It is not expected that the cash flows included in the maturity analysis of the Group and the Company could occur significantly earlier, or at significantly different amounts.

NOTES TO THE FINANCIAL STATEMENTS

17. FINANCIAL INSTRUMENTS (cont'd)

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Market risk is managed through established investment policies and guidelines. These policies and guidelines are reviewed regularly taking into consideration changes in the overall market environment.

Currency risk

Risk management policy

The Group is exposed to currency risk on its revenue, expenses and borrowings, including inter-company sales, purchases and inter-company balances, that are denominated in a currency other than the respective functional currencies of the Group's entities. The currencies in which these transactions are primarily denominated in are United States dollar, Hong Kong dollar, Australian dollar, Chinese renminbi and Korean won.

Exposure to foreign currency risk is monitored on an ongoing basis and the Group endeavours to keep the net exposure to an acceptable level.

Exposure to currency risk

The Group's and the Company's exposures to foreign currency were as follows based on notional amounts:

	<----- Group ----->						<---- Company ---->	
	Singapore dollar \$'000	United States dollar \$'000	Hong Kong dollar \$'000	Australian dollar \$'000	Chinese renminbi \$'000	Korean won \$'000	United States dollar \$'000	Korean won \$'000
2016								
Financial assets	-	-	-	-	15,312	-	-	-
Trade and other receivables	-	548	13,279	-	-	-	-	-
Cash and cash equivalents	34,348	5,011	9	2	208	1	2,842	1
Trade and other payables	(85)	(1)	-	-	-	-	-	-
	<u>34,263</u>	<u>5,558</u>	<u>13,288</u>	<u>2</u>	<u>15,520</u>	<u>1</u>	<u>2,842</u>	<u>1</u>
2015								
Financial assets	-	-	-	-	9,287	-	-	-
Trade and other receivables	-	689	6,286	-	-	-	15	-
Cash and cash equivalents	1,035	154	53	259	154	1,109	54	1,109
Trade and other payables	(44)	-	-	-	-	-	-	-
	<u>991</u>	<u>843</u>	<u>6,339</u>	<u>259</u>	<u>9,441</u>	<u>1,109</u>	<u>69</u>	<u>1,109</u>

NOTES TO THE FINANCIAL STATEMENTS

17. FINANCIAL INSTRUMENTS (cont'd)

Market risk (cont'd)

Sensitivity analysis

A 10% strengthening of the Singapore dollar against the following currencies at the reporting date would have decreased profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2015, as indicated below:

	Group Profit or (loss)		Company Profit or (loss)	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
United States dollar	(556)	(84)	(284)	(7)
Hong Kong dollar	(1,329)	(634)	–	–
Australian dollar	–	(26)	–	–
Chinese renminbi	(1,552)	(944)	–	–
Korean won	–	(111)	–	(111)
	<u>(3,550)</u>	<u>(1,799)</u>	<u>(284)</u>	<u>(118)</u>

A 10% weakening of the Singapore dollar against the above currencies at the reporting date would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk

Risk management policy

The Group manages its interest rate exposure by maintaining a mix of fixed and variable rate borrowings. Where necessary, the Group hedges a portion of its interest rate exposure within the short to medium term by using interest rate swaps.

Exposure to interest rate risk

At the reporting date, the interest rate profile of the interest-bearing financial instruments was as follows:

	Group Nominal amount		Company Nominal amount	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Fixed rate instruments				
Financial assets	3,702	20,841	–	20,000
Financial liabilities	(327)	(163)	–	–
Effect of interest rate swaps	(40,000)	–	–	–
	<u>(36,625)</u>	<u>20,678</u>	<u>–</u>	<u>20,000</u>

NOTES TO THE FINANCIAL STATEMENTS

17. FINANCIAL INSTRUMENTS (cont'd)

Market risk (cont'd)

Exposure to interest rate risk (cont'd)

	Group		Company	
	Nominal amount		Nominal amount	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Variable rate instruments				
Financial assets	10,015	-	-	-
Financial liabilities	(121,700)	(14,000)	-	-
Effect of interest rate swaps	40,000	-	-	-
	<u>(71,685)</u>	<u>(14,000)</u>	<u>-</u>	<u>-</u>

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

A change of 100 basis points in interest rates would have increased equity by approximately \$889,000 (2015: Nil) or decreased equity by approximately \$874,000 (2015: Nil) for the Group. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points (bp) in interest rates at the reporting date would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2015.

	Group		Company	
	Profit or (loss)		Profit or (loss)	
	100 bp	100 bp	100 bp	100 bp
	increase	decrease	increase	decrease
	\$'000	\$'000	\$'000	\$'000
2016				
Variable rate instruments	(717)	717	-	-
Cash flow sensitivity (net)	<u>(717)</u>	<u>717</u>	<u>-</u>	<u>-</u>
2015				
Variable rate instruments	(140)	140	-	-
Cash flow sensitivity (net)	<u>(140)</u>	<u>140</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

17. FINANCIAL INSTRUMENTS (cont'd)

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of total equity, less amounts accumulated in equity related to cash flow hedges. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders. There were no changes in the Group's approach to capital management during the year.

In addition, certain subsidiaries of the Company are Capital Markets Services ("CMS") Licence holders registered by the Monetary Authority of Singapore to conduct the regulated activity of REIT management and are subject to the requirements under the Securities and Futures Act, Securities and Futures (Licensing and Conduct of Business) Regulations and Securities and Futures (Financial and Margin Requirements for Holders of Capital Market Services Licences) Regulations (collectively referred to as "CMS regulations"). As defined in the applicable legislation under the CMS regulations, these subsidiaries are required to maintain the "Base Capital" of \$1,000,000 and ensure that their "Financial Resources" shall not fall below 120% of the "Total Risk Requirement".

Apart from the above, certain subsidiaries of the Company are licensed corporations registered under the Hong Kong Securities and Futures Ordinance and are subject to the capital requirements of the Hong Kong Securities and Futures (Financial Resources) Rules ("FRR"). The minimum paid-up share capital requirement of these subsidiaries is HK\$5,000,000 and the minimum liquid capital requirement is the higher of HK\$3,000,000 and the variable required liquid capital as defined in the FRR.

The Group monitors its compliance with the requirements of both the CMS and FRR regulations regularly.

Accounting classifications and fair values

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

Group	Carrying amount \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2016					
Available-for-sale financial assets	515,834	266,256	–	249,578	515,834
Financial assets held-for-trading	35,443	35,443	–	–	35,443
Financial assets designated at fair value					
through profit or loss	10,444	–	–	10,444	10,444
Financial derivatives					
– Interest rate swaps used for hedging	341	–	341	–	341
	562,062	301,699	341	260,022	562,062

NOTES TO THE FINANCIAL STATEMENTS

17. FINANCIAL INSTRUMENTS (cont'd)

Accounting classifications and fair values (cont'd)

Group	Carrying amount \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2015					
Available-for-sale financial assets	387,349	171,061	–	216,288	387,349
Financial assets held-for-trading	33,509	33,509	–	–	33,509
Financial assets designated at fair value through profit or loss	9,945	–	–	9,945	9,945
	430,803	204,570	–	226,233	430,803

Measurement of fair values

(i) Valuation techniques and significant unobservable inputs

The fair value of the Level 3 financial instruments as at the reporting date was determined using a valuation technique using the realisable net asset value approach, which takes into consideration the fair value of the underlying assets and liabilities of the entities to which the financial instrument relates. The assets held by the relevant entities comprise mainly real estate investments whose fair values were determined using the discounted cash flow and direct comparison methods. The fair value of such investments were determined by reference to projected operating cash flows, sales of comparable assets if any, and/or capitalisation rates analysis. These assumptions include net asset values, internal rates of return, discount and capitalisation rates, interest rates and financing terms, rental rates, timing of leasing activity, estimates of lease terms and related concessions, etc. The inputs used in the discounted cash flow methods also included risk-free rates of return, estimated risk premiums as well as other economic variables. These methodologies involve a significant degree of management judgement where adjustments may be made by management for differences between the investment and the referenced comparables.

The following table shows the valuation technique and the key unobservable input used in the determination of fair value of the Level 3 financial assets.

Valuation technique	Significant unobservable input	Inter-relationship between significant unobservable input and fair value measurement
Net asset value	Net asset value	The estimated fair value would increase if net asset value was higher.

NOTES TO THE FINANCIAL STATEMENTS

17. FINANCIAL INSTRUMENTS (cont'd)

Accounting classifications and fair values (cont'd)

Measurement of fair values (cont'd)

(i) Valuation techniques and significant unobservable inputs (cont'd)

Sensitivity analysis

For the fair value of Level 3 financial assets, changing the significant unobservable input by 10% at the reporting date would have the following favourable/(unfavourable) impact by the amount shown below.

	Increase/ (decrease)	Favourable/(unfavourable) impact on other comprehensive income \$'000
2016		
Net asset value	10%	26,002
	(10%)	(26,002)*
2015		
Net asset value	10%	22,623
	(10%)	(22,623)*

* Assuming there is no significant nor prolonged decline in its fair value below its cost.

Financial instruments not measured at fair values

The Group has not disclosed the fair values of financial instruments such as trade receivables and payables, loans and borrowings and cash and cash equivalents as the carrying amounts of these financial instruments are a reasonable approximation of fair values as at 31 December 2016 and 2015.

(ii) Transfers between Level 1 and 2

During the financial years ended 31 December 2016 and 31 December 2015, there were no transfers between Level 1 and Level 2 of the fair value hierarchy.

(iii) Level 3 fair values

The following table shows a reconciliation from the opening balances to the ending balances for Level 3 fair values:

	Group	
	2016 \$'000	2015 \$'000
Level 3 financial assets:		
At 1 January	226,233	166,975
Capital contribution	48,782	43,227
Capital returns	(28,325)	(9,522)
Total unrealised losses recognised in profit or loss	(5)	(1,674)
Total gains recognised in other comprehensive income	13,337	27,227
At 31 December	260,022	226,233

NOTES TO THE FINANCIAL STATEMENTS

18. MANAGEMENT FEES

	Group	
	2016	2015
	\$'000	\$'000
REIT management fees	89,416	86,782
Portfolio management fees	26,442	21,021
Real estate management service fees	24,726	21,794
	<u>140,584</u>	<u>129,597</u>

For the year ended 2016, revenue from private real estate funds comprise portfolio management fees of \$26,442,000 (2015: \$21,021,000) and, acquisition and divestment fees of \$227,000 (2015: \$1,370,000).

19. FINANCE INCOME AND FINANCE COSTS

	Group	
	2016	2015
	\$'000	\$'000
Finance income		
Interest income - bank deposits	271	185
Gain on fair valuation/disposal of financial assets	-	283
Distribution income	29,363	11,899
	<u>29,634</u>	<u>12,367</u>
Finance costs		
Interest expense:		
- bank loans	1,326	1,291
- finance lease liabilities	10	4
- bank overdraft	1	17
- interest rate swap expenses	77	-
- shareholder's loan	-	1,244
Foreign exchange loss, net	803	1,196
Impairment on available-for-sale financial assets	1,824	2,039
Loss on fair valuation/disposal of financial assets	1,436	754
	<u>5,477</u>	<u>6,545</u>

NOTES TO THE FINANCIAL STATEMENTS

20. PROFIT BEFORE TAX

The following items have been included in arriving at the profit for the year:

	Group	
	2016	2015
	\$'000	\$'000
Other income		
Gain on disposal of plant and equipment	21	3
Operating expenses		
Agency commission	1,305	2,728
Amortisation of intangible asset	262	244
Audit fee paid to:		
- auditors of the Company	421	393
- other auditors	148	163
Non-audit fee paid to:		
- auditors of the Company	171	162
- other auditors	43	28
Depreciation of plant and equipment	1,247	769
Employee benefits expense (see below)	51,407	43,775
Employee benefits expense		
Salaries, bonus and other costs *	49,106	41,924
Contribution to defined contribution plans	2,301	1,851
	51,407	43,775

* Included in salaries, bonus and other costs are staff-related expenses of \$15,621,000 (2015: \$14,752,000) for Suntec Singapore International Convention & Exhibition Services Pte Ltd., a wholly-owned subsidiary of the Company, which were fully reimbursed by a private fund and netted off.

21. TAX EXPENSE

	Group	
	2016	2015
	\$'000	\$'000
Current tax expense		
Current year	15,293	14,192
Overprovision in prior years	(691)	(121)
	14,602	14,071
Deferred tax expense		
Origination and reversal of temporary differences	(10)	24
Total tax expense	14,592	14,095

NOTES TO THE FINANCIAL STATEMENTS

21. TAX EXPENSE (cont'd)

	Group	
	2016	2015
	\$'000	\$'000
Reconciliation of effective tax rate:		
Profit for the year	92,117	81,353
Total tax expense	14,592	14,095
Profit excluding tax	106,709	95,448
Tax using the Singapore tax rate at 17% (2015: 17%)	18,141	16,226
Effects of tax rates in foreign jurisdiction	(3,866)	(1,231)
Non-deductible expenses	2,775	644
Tax exempt income	(1,767)	(1,420)
Overprovision in prior years	(691)	(121)
Others	-	(3)
	14,592	14,095

22. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share at 31 December 2016 was based on the profit attributable to ordinary shareholders of \$88,661,000 (2015: \$78,058,000) and a weighted average number of ordinary shares outstanding calculated as follows:

	Group	
	2016	2015
	\$'000	\$'000
Profit attributable to ordinary shareholders	88,661	78,058
	Number of shares '000	Number of shares '000
Issued ordinary shares at beginning of the year	997,278	845,151
Effect of Rights Issue on 16 December 2015	-	152,127
Issued ordinary shares at end of the year	997,278	997,278
Weighted average number of ordinary shares	997,278	870,710
Basic and diluted earnings per share (cents)	8.89	8.96

The basic and diluted earnings per ordinary share for the years ended 31 December 2016 and 31 December 2015 are calculated based on the profit attributable to ordinary shareholders of the Company for the financial year and weighted average ordinary shares on a pro-rata basis based on an adjustment factor calculated based on the market price and theoretical ex-rights price of an ordinary share. The basic and diluted earnings per share are the same as there is no dilutive instrument in issue at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

23. OPERATING SEGMENTS

The Group has four reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately. For each of the strategic business units, the Group CEO reviews internal management reports on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

REITs	:	Provision of fund management services to real estate investment trusts
Private real estate funds	:	Provision of fund management services to private real estate funds
Real estate management services	:	Provision of property management services and convention and exhibition services
Investment holdings	:	Investing in a portfolio of listed securities in REITs, privately-held REITs and private real estate funds

Others comprise primarily corporate finance advisory services which do not meet any of the quantitative thresholds for determining reportable segment in 2016 or 2015.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

NOTES TO THE FINANCIAL STATEMENTS

23. OPERATING SEGMENTS *(cont'd)*

Information about reportable segments

	REITs		Private real estate funds		Real estate management services		Investment holdings		Others		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External revenues	96,227	100,854	26,702	22,420	27,048	24,413	26,789	8,306	65	34	176,831	156,027
Inter-segment revenue	-	-	-	-	-	-	-	-	14,161	11,915	14,161	11,915
	96,227	100,854	26,702	22,420	27,048	24,413	26,789	8,306	14,226	11,949	190,992	167,942
Interest expense	(13)	(21)	-	-	-	-	-	(2,535)	(1,401)	-	(1,414)	(2,556)
Depreciation	(526)	(464)	(61)	(38)	(635)	(243)	-	-	(25)	(24)	(1,247)	(769)
Reportable segment profit before tax	63,148	69,969	7,431	7,153	11,078	9,369	23,153	4,047	314	368	105,124	90,906
Share of profit/(loss) of associates and joint ventures, net of tax	4,023	5,579	-	-	1,244	1,894	(62)	(8)	-	-	5,205	7,465
Reportable segment assets	91,158	79,769	19,208	15,665	29,488	20,202	593,744	443,896	6,392	4,658	739,990	564,190
Investment in associates and joint ventures	5,929	9,580	-	-	791	592	13,707	6,019	-	-	20,427	16,191
Capital expenditure	1,027	199	88	450	517	741	-	-	33	54	1,665	1,444
Reportable segment liabilities	6,087	6,298	7,587	6,185	13,902	7,880	5,431	3,264	4,004	3,085	37,011	26,712

NOTES TO THE FINANCIAL STATEMENTS

23. OPERATING SEGMENTS *(cont'd)*

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items of the Group

	2016	2015
	\$'000	\$'000
Revenue		
Total revenue for reporting segments	176,831	156,027
Other revenue	14,161	11,915
	<u>190,992</u>	<u>167,942</u>
Elimination of inter-segment revenue	(14,161)	(11,915)
Revenue	<u>176,831</u>	<u>156,027</u>
Profit		
Total profit for reportable segments	104,810	90,538
Other profit	314	368
	<u>105,124</u>	<u>90,906</u>
Unallocated amounts:		
- Other corporate expenses	(3,620)	(2,923)
Share of profit of associates and joint ventures, net of tax	5,205	7,465
Profit before tax	<u>106,709</u>	<u>95,448</u>
Assets		
Total assets for reportable segments	733,598	559,532
Other assets	6,392	4,658
	<u>739,990</u>	<u>564,190</u>
Investment in associates and joint ventures	20,427	16,191
Other unallocated assets	795	712
Total assets	<u>761,212</u>	<u>581,093</u>
Liabilities		
Total liabilities for reportable segments	33,007	23,627
Other liabilities	4,004	3,085
	<u>37,011</u>	<u>26,712</u>
Other unallocated liabilities	134,727	26,773
Total liabilities	<u>171,738</u>	<u>53,485</u>

Geographical segments

The Group's business is managed in six principal geographical areas, namely, Singapore, Hong Kong, Malaysia, China, Korea and Others.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of counterparties. Segment assets are based on the geographical location of the assets.

NOTES TO THE FINANCIAL STATEMENTS

23. OPERATING SEGMENTS *(cont'd)*

Geographical segments *(cont'd)*

Geographical information	Revenue \$'000	Segment assets \$'000	Capital expenditure \$'000
2016			
Singapore	118,758	361,187	1,143
Hong Kong	9,580	7,609	378
Malaysia	5,403	29,746	12
China	7,881	25,164	19
Korea	2,946	66,530	43
Others	32,263	249,754	70
	<u>176,831</u>	<u>739,990</u>	<u>1,665</u>
2015			
Singapore	116,697	278,714	1,106
Hong Kong	9,353	8,548	116
Malaysia	1,996	11,931	171
China	6,240	15,716	8
Korea	2,963	19,799	-
Others	18,778	230,194	43
	<u>156,027</u>	<u>564,902</u>	<u>1,444</u>

24. ACQUISITION OF ADDITIONAL INTEREST IN SUBSIDIARIES

On 1 July 2016, the Group increased its equity interest in SC Property Management Limited ("SC"), which in turn held a 85% stake (2015: 65%) in Asia Property Management (China) Limited ("APMC"), through a share subscription. The total consideration paid was \$1,722,000. Following the share subscription, the Group's equity interest in SC increased from 51% to 57% and its effective interest in APMC increased from 33.15% to 48.45%.

	2016 \$'000
Carrying amount of NCI acquired	1,089
Consideration paid to NCI	<u>1,722</u>
Decrease in equity attributable to owners of the Group	<u>(633)</u>

NOTES TO THE FINANCIAL STATEMENTS

25. OPERATING LEASES

Non-cancellable operating lease rentals are payable as follows:

	Group	
	2016 \$'000	2015 \$'000
Within 1 year	4,290	3,494
Between 1 to 5 years	10,671	561
	<u>14,961</u>	<u>4,055</u>

The Group leases a number of offices under operating leases. The leases typically run for an initial period of 2 to 3 years, with an option to renew the lease after that date.

26. CAPITAL COMMITMENTS

Group	US\$'000	S\$'000 ⁽¹⁾
2016		
Undrawn commitments in:		
ARA Asia Dragon Fund II ⁽²⁾	19,196	27,772
ARA China Investment Partners, LLC ⁽³⁾	1,338	1,936
Morningside Investment Partners, LLC ⁽⁴⁾	6,602	9,551
Peninsula Investment Partners, L.P. ⁽⁵⁾	8,796	12,727
ARA Harmony Fund III, L.P. ⁽⁶⁾	–	486
	<u>35,932</u>	<u>52,472</u>
2015		
Undrawn commitments in:		
ARA Asia Dragon Fund II ⁽²⁾	20,850	29,546
ARA China Investment Partners, LLC ⁽³⁾	3,748	5,312
Morningside Investment Partners, LLC ⁽⁴⁾	20,050	28,413
Peninsula Investment Partners, L.P. ⁽⁵⁾	25,000	35,427
ARA Harmony Fund III, L.P. ⁽⁶⁾	–	486
	<u>69,648</u>	<u>99,184</u>

NOTES TO THE FINANCIAL STATEMENTS

26. CAPITAL COMMITMENTS (cont'd)

- (1) Represents the equivalent in Singapore dollar based on the foreign exchange rates prevailing at 31 December 2016 and 31 December 2015, respectively.
- (2) The Group has a commitment to invest up to US\$100 million in ARA Asia Dragon Fund II's aggregate committed capital as seed capital in the fund.
- (3) The Group has a commitment to invest an amount of up to 4.0% in ARA China Investment Partners, LLC's aggregate committed capital as seed capital in the fund.
- (4) The Group has a commitment to invest up to US\$40 million in Morningside Investment Partners, LLC's aggregate committed capital as seed capital in the fund.
- (5) The Group has a commitment to invest up to US\$25 million in Peninsula Investment Partners, L.P.'s aggregate committed capital as seed capital in the fund.
- (6) The Group has a commitment to invest up to S\$13.2 million in ARA Harmony Fund III, L.P.'s aggregate committed capital as seed capital in the fund.

27. RELATED PARTIES

Transactions with key management personnel

Key management personnel compensation

Compensation payable to key management personnel comprised:

	Group	
	2016	2015
	\$'000	\$'000
Short-term employee benefits	25,287	23,696
Post-employment benefits (including CPF)	686	491
Other long-term employee benefits	(101)	429
	25,872	24,616

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. The directors of the Company are considered as key management personnel of the Group.

NOTES TO THE FINANCIAL STATEMENTS

27. RELATED PARTIES (cont'd)

Transactions with key management personnel (cont'd)

Key management personnel compensation (cont'd)

Other related party transactions

Other than disclosed elsewhere in the financial statements, significant transactions with related parties at terms agreed between the parties are as follows:

	Transaction value for the year ended 31 December	
	2016 \$'000	2015 \$'000
Entities subject to common significant influence:		
- Acquisition, divestment and performance fees received/receivable	227	4,837
- REIT management fees received/receivable	27,463	26,275
- Portfolio management fees received/receivable	3,566	2,023
- Real estate management fees received/receivable	1,463	654
- Distribution income received	375	783
- Advisory fee	61	(1,391)
- Interest on shareholder's loan	-	(1,244)
- Operating lease expenses paid/payable	(1,040)	(1,152)

28. SUBSEQUENT EVENTS

The Company and Athena Investment Company (Cayman) Limited (the "Offeror") jointly announced on 8 November 2016 the proposed acquisition (the "Acquisition") of all the issued and fully paid-up ordinary shares in the capital of the Company by the Offeror. The Acquisition will be effected by way of a scheme of arrangement (the "Scheme") under Section 99 of the Companies Act 1981 of Bermuda.

The Company announced on 28 February 2017 that it will convene the Scheme meeting on 23 March 2017 which is after the date of this independent auditors' report. Subject to the Scheme becoming effective in accordance with its terms, including the approval of the SGX-ST, the Company will thereafter be delisted and the Company has obtained a waiver from SGX-ST from the requirements to issue the Corporate Profile and Core Values, Letter to Shareholders, Highlights of the Year, Awards and Accolades, Financial Highlights, Performance Review, Business Segments (Funds and Services, Real Estate Investment Trusts, Private Real Estate Funds), Board of Directors, Management Team, Investor Relations, Corporate Social Responsibility, Report on Corporate Governance, Shareholders' Information and Corporate Information (the "Reports"). If the Scheme is not approved, then the Reports will be issued.