

## IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES. THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE ADDRESSEES OUTSIDE OF THE UNITED STATES.

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

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 UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES (THE “**UNITED STATES**” OR THE “**U.S.**”) OR ANY OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED, SOLD, RESOLD, TRANSFERRED OR DELIVERED, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO U.S. PERSONS (AS DEFINED IN REGULATIONS 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. **THIS OFFERING IS MADE SOLELY IN OFFSHORE TRANSACTIONS PURSUANT TO REGULATIONS UNDER THE SECURITIES ACT.**

THIS OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

**FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED IN THE OFFERING CIRCULAR.**

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

You are reminded that this Offering Circular has been delivered to you on the basis that you are a person into whose possession this Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this Offering Circular, electronically or otherwise, to any other person. If you have gained access to this transmission contrary to the foregoing restrictions, you are not allowed to purchase any of the securities described in this Offering Circular.

The materials relating to the offering of securities to which this Offering Circular relates do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriters or such affiliate on behalf of the Issuer (as defined in this Offering Circular) in such jurisdiction.

This Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer, DBS Bank Ltd. (the “**Arranger**”), the Dealers (as defined in this Offering Circular), the Trustee (as defined in this Offering Circular), the Agents (as defined in this Offering Circular) or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates or any person who controls any of them accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Arranger and the Dealers.

**Actions that You May Not Take:** If you receive this document by e-mail, you should not reply by e-mail to this notice, 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 email software, will be ignored or rejected.

**You are responsible for protecting against viruses and other destructive items.** If you receive this document by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

Offering Circular dated 12 July 2021



## Vertex Venture Holdings Ltd

(incorporated with limited liability in Singapore with Company Registration Number: 199708173R)

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

### **Multicurrency Debt Issuance Programme**

Under the Multicurrency Debt Issuance Programme described in this Offering Circular (the “**Programme**”), Vertex Venture Holdings Ltd (the “**Issuer**”), subject to compliance with all relevant laws, regulations and directives, may from time to time issue euro medium term notes (the “**Notes**”) or perpetual securities (the “**Perpetual Securities**”) and, together with the Notes, the “**Securities**”). The Notes will rank as senior obligations of the Issuer and the Perpetual Securities may rank as senior obligations (the “**Senior Perpetual Securities**”) or subordinated obligations (the “**Subordinated Perpetual Securities**”) of the Issuer. The aggregate nominal amount of Securities outstanding will not at any time exceed U.S.\$2,000,000,000 (or the equivalent in other currencies), subject to increase as described herein.

The Securities may be issued by the Issuer on a continuing basis to one or more of the Dealers appointed under the Programme from time to time (each a “**Dealer**” and together the “**Dealers**”), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the “**relevant Dealer**” shall, in the case of an issue of Securities being (or intended to be) subscribed for by more than one Dealer, be to all Dealers agreeing to subscribe for such Securities.

Application has been made to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for permission to deal in and for the listing and quotation of any Securities which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Securities have been admitted to the Official List of the SGX-ST. Unlisted series of Securities may also be issued pursuant to the Programme and Securities may also be listed on stock exchanges other than the SGX-ST. The applicable pricing supplement (each, a “**Pricing Supplement**”) in respect of any series of Securities will specify whether or not such Securities will be listed on the SGX-ST or on any other stock exchange. There is no assurance that any application to the Official List of the SGX-ST for the listing of the Securities will be approved. Approval-in-principle from the SGX-ST, admission to the Official List of the SGX-ST and listing and quotation of any Securities on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Group (as defined below), the Programme or such Securities. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Offering Circular or the applicable Pricing Supplement.

The Securities may be issued in bearer form (“**Bearer Securities**”) or in registered form (“**Registered Securities**”) only. Each Series (as defined in the terms and conditions of the Notes (the “**Terms and Conditions of the Notes**”) or, as the case may be, the terms and conditions of the Perpetual Securities (the “**Terms and Conditions of the Perpetual Securities**”) in bearer form will be represented on issue by a temporary global security in bearer form (each a “**Temporary Global Security**”). Interests in a Temporary Global Security will be exchangeable, in whole or in part, for interests in a permanent global security in bearer form (each a “**Permanent Global Security**”) and, together with the Temporary Global Security, the “**Global Securities**”) on or after the date falling on the first business day following the period of 40 calendar days from (but not including) the relevant issue date, upon certification as to non-U.S. beneficial ownership. Each Series of Registered Securities will be represented by registered certificates (each a “**Certificate**”), without interest coupons, one Certificate being issued in respect of each Securityholder’s entire holding of Registered Securities of one Series. Registered Securities will initially be represented by a registered global certificate (each a “**Global Certificate**”) without coupons.

Global Securities and Global Certificates may be: (i) deposited on the relevant issue date with a common depository (the “**Common Depository**”) on behalf of Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream**”); or (ii) deposited on the relevant issue date with The Central Depository (Pte) Limited (“**CDP**”). Beneficial interests in Global Securities or Global Certificates held in book-entry form through Euroclear, Clearstream and/or CDP will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear, Clearstream or CDP, as the case may be. The provisions governing the exchange of interests in Global Securities or Global Certificates for other Global Securities and definitive Securities or Certificates are described in “*Summary of Provisions Relating to the Securities while in Global Form*”.

Securities issued under the Programme may be rated or unrated. Where an issue of Securities is rated, its rating will not necessarily be the same as the rating assigned to other Securities or to the Issuer. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating organisation.

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 that are subject to U.S. tax law requirements and restrictions. Subject to certain exceptions, the Securities may not be offered, sold, or, in the case of Bearer Securities, delivered within the United States to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (“**Regulation S**”). The Securities are subject to certain restrictions on transfer, see “*Subscription and Sale*”.

**Investing in Securities issued under the Programme involves certain risks. Prospective investors should have regard, *inter alia*, to the factors described under the section headed “*Risk Factors*” in this Offering Circular.**

**Arranger and Dealer**

**DBS Bank Ltd.**

## NOTICE TO INVESTORS

The Issuer accepts responsibility for the information contained in this Offering Circular. The Issuer, having made all reasonable enquiries, confirms that (i) this Offering Circular contains all information with regard to the Issuer and its subsidiaries (the “**Group**”), and the Securities which is material in the context of the Programme, the issue and offering of the Securities, (ii) this Offering Circular does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements herein, in light of the circumstances under which they were made, not misleading, (iii) the opinions, expectations and intentions expressed in this Offering Circular with regard to the Issuer and the Group are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions, (iv) all reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements in this Offering Circular.

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

No person has been authorised to give any information or to make any representation other than those contained in this Offering Circular and the applicable Pricing Supplement in connection with the issue or sale of the Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, any of the Dealers or the Arranger, The Bank of New York Mellon, London Branch as trustee (the “**Trustee**”) or any of the Agents (as defined in the Agency Agreement referred to herein) or any of their respective directors, officers, employees, agents, representatives, affiliates or advisers or any person who controls any of them. Save as expressly stated in this Offering Circular, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Issuer and any of its subsidiaries or associated companies (if any). Neither this Offering Circular 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, and does not constitute an offer of, such solicitation or invitation by or on behalf of the Issuer or any of the Arranger or Dealers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, representatives, affiliates or advisers or any person who controls any of them 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. Neither the delivery of this Offering Circular (or any part thereof) nor any sale, offering or purchase made in connection herewith shall, under any circumstances, constitute a representation or create any implication that there has been no change in the prospects, results of operation or general affairs of the Issuer or any of its subsidiaries and/or associated companies (if any) or in the information herein since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer or any of its subsidiaries and/or associated companies (if any) since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution and publication of this Offering Circular or any such other document or information and the offering or sale of the Securities in certain jurisdictions may be restricted by law. Persons who distribute or publish this Offering Circular or any such other document or information or into whose possession this Offering Circular or any such other document or information comes are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restrictions and all applicable laws, orders, rules and regulations.

This Offering Circular is being furnished by the Issuer in connection with the offering of the Securities and is exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider purchasing the Securities. Investors must not use this Offering Circular for any other purpose, make copies of any part of this Offering Circular or give a copy of it to any other person, or disclose any information in this Offering Circular to any other person. The information contained in this Offering Circular has been provided by the Issuer and other sources identified in this Offering Circular. Any reproduction or distribution of this Offering Circular, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than the consideration of an investment in the Securities offered by this Offering Circular is prohibited. By accepting delivery of this Offering Circular each investor is deemed to have agreed to these restrictions.

**THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER 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 OR TO OR FOR THE BENEFIT OF U.S. PERSONS (AS DEFINED IN REGULATION S).**

**THE SECURITIES ARE BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN RELIANCE ON REGULATION S. FOR A DESCRIPTION OF THESE AND CERTAIN FURTHER RESTRICTIONS ON OFFERS, SALES AND TRANSFERS OF SECURITIES AND DISTRIBUTION OF THIS OFFERING CIRCULAR, SEE “SUBSCRIPTION AND SALE”. THE ATTENTION OF RECIPIENTS OF THIS OFFERING CIRCULAR IS DRAWN TO THE RESTRICTIONS ON RESALE OF THE SECURITIES SET OUT UNDER THE SECTION “SUBSCRIPTION AND SALE”.**

**THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF SECURITIES OR THE ACCURACY OR THE ADEQUACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.**

Any person(s) who is invited to purchase or subscribe for the Securities or to whom this Offering Circular 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.

This Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore (“MAS”) and the Securities are offered by the Issuer pursuant to exemptions under Section 274 and 275 of the Securities and Futures Act, Chapter 289 of Singapore, as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time (the “SFA”). Accordingly, this Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities 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 any person in Singapore other than: (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA; (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275, of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore; or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

None of the Arranger, the Dealers, the Trustee or the Agents nor any of their respective affiliates, officers, employees, agents, representatives, directors or advisers nor any person who controls any of them has independently verified the information contained in this Offering Circular. None of the Arranger, the Dealers, the Trustee or the Agents or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers or any person who controls any of them 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 the Group. Each person receiving this Offering Circular acknowledges that it has not relied on the Arranger, the Dealers, the Trustee or the Agents or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers or any person who controls any of them in connection with its investigation of the accuracy of such information or its investment decision, and such person must rely on its own examination of the Issuer or the Group, and the merits and risks involved in investing in the Securities. See “*Risk Factors*” below for a discussion of certain factors to be considered in connection with an investment in the Securities.

To the fullest extent permitted by law, none of the Arranger, the Dealers, the Trustee or the Agents nor any of their respective directors, officers, employees, agents, representatives, advisers or affiliates nor any person who controls any of them accepts any responsibility for the contents, accuracy, completeness or sufficiency of any such information in this Offering Circular or for any other statement made or purported to be made by the Arranger, the Dealers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates or any person who controls any of them on their behalf in connection with the Issuer, the Group, the Programme or the issue and offering of the Securities. Each of the Arranger, each

Dealer, the Trustee and each Agent, and each of their respective directors, officers, employees, agents, representatives, advisers and affiliates and each person who controls any of them accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular or any such statement.

The Trustee, the Agents and each of their respective directors, officers, employees, agents, representatives, advisers and affiliates and any person who controls any of them shall not be responsible nor have any liability for the recitals, statements, warranties or representations of any other party contained in the Trust Deed, the Agency Agreement, or any other agreement or document entered into in connection with the Securities, and the Trustee, the Agents and each of their respective directors, officers, employees, agents, representatives, advisers and affiliates and any person who controls any of them shall assume the accuracy and correctness thereof for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence in the Trust Deed, the Agency Agreement or any such other agreement or document referred to above.

Neither this Offering Circular nor any other document or information (or any part thereof) delivered and supplied under or in relation to the Programme or any Securities is intended to provide the basis of any credit or other evaluation of the Issuer or the Group and should not be considered as a recommendation by any of the Issuer, the Arranger, the Dealers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates or any person who controls any of them that any recipient of this Offering Circular or any other financial statements should purchase the Securities. Prospective investors should not construe anything in this Offering Circular as legal, business or tax advice. Each prospective investor should determine for itself the relevance of the information contained in this Offering Circular and consult its own legal, business and tax advisers as needed to make its investment decision and determine whether it is legally able to purchase the Securities under applicable laws or regulations. Each potential purchaser of Securities shall make its own assessment of the foregoing and other relevant matters including the financial condition and affairs and its appraisal of the creditworthiness of the Issuer and any of its subsidiaries and associated 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 any of its subsidiaries and associated companies (if any). Accordingly, notwithstanding anything herein, none of the Issuer, the Arranger, any of the Dealers, the Trustee or the Agents nor any of their respective directors, officers, employees, agents, representatives, advisers or affiliates nor any person who controls any of them shall be held responsible for any loss or damage suffered or incurred by the recipients of this Offering Circular 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 Offering Circular 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 Offering Circular or such other document or information (or such part thereof). None of the Dealers, the Arranger, the Trustee or the Agents nor any of their respective directors, officers, employees, agents, representatives, advisers or affiliates nor any person who controls any of them undertakes to review the financial condition or affairs of the Issuer or the Group during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Securities of any information coming to the attention of any of the Dealers, the Arranger, the Trustee or the Agents or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates or any person who controls any of them.

**SINGAPORE SFA PRODUCT CLASSIFICATION** – In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), unless otherwise stated before an offer of Securities, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Securities are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

**MiFID II PRODUCT GOVERNANCE/TARGET MARKET** – The applicable Pricing Supplement in respect of any Securities may include a legend titled “MiFID II Product Governance” which will outline the target market assessment in respect of the Securities and which channels for distribution of the Securities are appropriate. Any person subsequently offering, selling or recommending the Securities (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, “**MiFID II**”) is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Securities is a manufacturer in respect of such Securities, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

**UK MiFIR PRODUCT GOVERNANCE/TARGET MARKET** – The applicable Pricing Supplement in respect of any Securities may include a legend titled “UK MiFIR Product Governance” which will outline the target market assessment in respect of the Securities and which channels for distribution of the Securities are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Securities is a manufacturer in respect of such Securities, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – If the applicable Pricing Supplement in respect of any Securities includes a legend entitled “Prohibition of Sales to EEA 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 (the “**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; (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution 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 Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, 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.

**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – If the applicable Pricing Supplement in respect of any Securities includes a legend entitled “Prohibition of Sales to UK 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 United Kingdom (the “**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA (the “**UK Prospectus Regulation**”). Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

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

This Offering Circular does not describe all of the risks and investment considerations (including those relating to each investor’s particular circumstances) of an investment in Securities of a particular issue. Each potential purchaser of Securities should refer to and consider carefully the applicable Pricing Supplement for each particular issue of Securities, which may describe additional risks and investment considerations associated with such Securities. The risks and investment considerations identified in this Offering Circular and the applicable Pricing Supplement are provided as general information only.

It is recommended that persons proposing to purchase or subscribe for any of the Securities consult their own legal and other advisers before purchasing or acquiring the Securities.

Prospective purchasers of the Securities are advised to consult their own tax advisers concerning the tax consequences of the acquisition, ownership or disposal of the Securities.

### STABILISATION

In connection with the issue of any Tranche of Securities, the Dealer or Dealers (if any) named as the stabilising manager(s) (the “**Stabilising Manager(s)**”) (or any person acting on behalf of any Stabilising Manager(s)) in the applicable 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 any person acting on behalf of any Stabilising Manager(s)) will undertake any stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of the Securities is made and, if begun, may cease at any time and must end no later than the earlier of 30 days after the issue date of the Securities and 60 days after the date of the allotment of the Securities. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws, rules and regulations.

### ROUNDING OF AMOUNTS

Certain monetary amounts and percentages in this Offering Circular have been subject to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them. Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

### INDUSTRY AND MARKET DATA

Market data and certain industry forecasts used throughout this Offering Circular have been obtained from internal surveys, market research, publicly available information and industry publications. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information has not been independently verified and is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified, and none of the Issuer, the Arranger, the Dealers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates or any person who controls any of them makes any representation as to the accuracy of that information. In addition, third party information providers may have obtained information from market participants and such information may not have been independently verified. In making an investment decision, each investor must rely on its own examination of the Issuer and the Group and the terms of the offering and the Securities, including the merits and risks involved. Where information has been sourced from a third party, the Issuer confirms that this information has been accurately reproduced and that, as far as the Issuer is aware and are able to ascertain from information published by third parties, no facts have been omitted which would render the reproduced information to be inaccurate or misleading.

### CERTAIN DEFINED TERMS AND CONDITIONS

In this Offering Circular, unless otherwise specified or the context otherwise requires, all references to “**Singapore dollars**”, “**SGD**” and “**\$S**” are to the lawful currency for the time being of Singapore, all references to “**U.S. dollars**”, “**USD**” and “**U.S.\$**” are to the lawful currency for the time being of the United States of America, all references to “**Euro**” and “**€**” are to the lawful currency of member states of the European Union that adopt the single currency introduced at the start of the third stage of the European economic and monetary union in accordance with the Treaty establishing the European Community, as amended from time to time, all references to “**Australian dollars**” and “**A\$**” refer to the lawful currency of the Commonwealth of Australia, all references to “**Malaysian Ringgit**”, “**Ringgit**”, “**RM**” and “**sen**” refer to the lawful currency of Malaysia, all references to “**Sterling**” and “**£**” are to the lawful currency of the United Kingdom, and all references to “**JPY**” and “**Yen**” are to the lawful currency of Japan.

Unless otherwise specified in this Offering Circular, references to “**Conditions**” are to the Terms and Conditions of the Notes and the Terms and Conditions of the Perpetual Securities together.

The following definitions have, where appropriate, been used in this Offering Circular:

“**AUM**” means the Issuer’s assets under management, which is computed based on aggregate fund size of all Funds including the portions already divested as at the Latest Practicable Date;

“**Board**” means board of directors;

“**Captive Funds**” means Funds which are wholly-funded by the Issuer;

“**Captive Manager**” means the investment professionals that manage the Captive Funds, including Vertex Ventures Management Pte Ltd;

“**Class A RPS**” means the Class A redeemable preferences shares in the share capital of the Issuer, which may be issued in S.\$ or U.S.\$;

“**Class B RPS**” means the Class B redeemable preferences shares in the share capital of the Issuer, which may be issued in U.S.\$;

“**CNH HIBOR**” means the Offshore Chinese Yuan Hong Kong Interbank Offered Rate;

“**Constitution**” means the constitution of the Issuer, as may be amended from time to time;

“**Early**” stage investments means investments that provide capital, typically through a series of transactions, in companies that have recently begun selling their products or services, with a focus on the refinement of these products or services;

“**EURIBOR**” means the Euro Interbank Offered Rate;

“**Fund**” means a company or partnership which is set up to pool monies to make investments and in which the Issuer owns Fund Investments;

“**Fund Investments**” means the limited partnership interests or shareholdings in the Funds owned, directly or indirectly, by the Issuer, including but not limited to entitlements, rights and benefits arising therefrom and any additional or other investments, assets or properties that may be owned, directly or indirectly, by the Issuer;

“**FY2018**” means the financial year ended 31 December 2018;

“**FY2019**” means the financial year ended 31 December 2019;

“**FY2020**” means the financial year ended 31 December 2020;

“**General Partner**” means the general partner of a Fund structured as a limited partnership;

“**Group**” means the Issuer and its Subsidiaries;

“**HIBOR**” means the Hong Kong Interbank Offered Rate;

“**HKSE**” means The Stock Exchange of Hong Kong;

“**Late**” or “**Growth**” stage investments means investments made in companies seeking to gain market share and to demonstrate the viability of their products;

“**Latest Practicable Date**” means 25 June 2021;

“**LIBOR**” means the London Interbank Offered Rate;

“**Limited Partner**” means the limited partner of a Fund structured as a limited partnership;

“**Limited Partnership Agreement**” means the limited partnership agreement governing a Fund structured as a limited partnership and entered into between the General Partner and the Limited Partners;

“**Master Funds**” means Funds that are set up to anchor the underlying Network Funds or Captive Funds;

“**NASDAQ**” means Nasdaq Stock Market;

“**Network Funds**” means funds that have raised both significant funding from external and global investors as well as anchor funding from the Issuer;

“**Network Partnerships**” means the general partnership of the respective Network Funds;

“**Portfolio Company**” means a company in which a Fund has invested in, is still being managed under the Fund and have not been divested or written off, and “**Portfolio Companies**” shall be construed accordingly;

“**Seed**” or “**Angel**” stage investments means investments that provide the capital to develop a product or idea to the prototype stage;

“**SOR**” means the Singapore Dollar Swap Offer Rate;

“**SIBOR**” means the Singapore Interbank Offered Rate; and

“**STAR Market**” means Shanghai Stock Exchange Science and Technology Innovation Board.

## FORWARD-LOOKING STATEMENTS

This Offering Circular includes forward-looking statements. All statements other than statements of historical facts contained in this Offering Circular constitute forward-looking statements. Some of these statements can be identified by the use of forward-looking terminology, such as “**believe**”, “**expect**”, “**plan**”, “**anticipate**”, “**can**”, “**may**”, “**plan**”, “**target**”, “**intend**”, “**aim**”, “**project**”, “**seek**”, “**should**”, “**will**”, “**would**”, “**could**”, “**schedule**”, “**estimate**” or, in each case, their negative or other variations or comparable terminology. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding expected financial condition, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include, but are not limited to, statements as to the business strategy, revenue, profitability, planned projects and other matters as they relate to the Group discussed in this Offering Circular regarding matters that are not historical facts.

By their nature, forward-looking statements are subject to numerous assumptions, risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Investors are cautioned that forward-looking statements are not guarantees of the Group’s future performance and their actual results of operations, financial condition and liquidity, and the development of the industries in which they operate, may differ materially from those made in or suggested by the forward-looking statements contained in this Offering Circular. In addition, even if the Group’s results of operations, financial condition and liquidity and the development of the industries in which the Group operate are consistent with the forward-looking statements contained in this Offering Circular, those results or developments may not be indicative of results or developments in subsequent periods.

The cautionary statements set forth above should be considered in connection with any subsequent written or oral forward-looking statements that the Issuer or persons acting on their behalf may issue. The Issuer does not undertake any obligation to review or confirm analysts’ expectations or estimates or to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date of this Offering Circular.

Investors should read the factors described in the “*Risk Factors*” section of this Offering Circular to better understand the risks and uncertainties inherent in the business of the Group and underlying any forward-looking statements.

Any forward-looking statements that the Issuer makes in this Offering Circular speak only as at the date of this Offering Circular, and the Issuer undertakes no obligation to update such statements. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, and should only be viewed as historical data.

## FINANCIAL STATEMENTS

The audited consolidated financial statements of the Issuer as at and for the years ended 31 December 2019 (the “**2019 Audited Consolidated Financial Statements**”) and 31 December 2020 (the “**2020 Audited Consolidated Financial Statements**”), and together with the 2019 Audited Consolidated Financial Statements, the “**Audited Consolidated Financial Statements**”) included elsewhere in this Offering Circular have been audited by KPMG LLP (“**KPMG**”) as stated in their reports appearing herein. The 2020 Audited Consolidated Financial Statements consist of consolidated financial information of the Issuer as at and for the year ended 31 December 2020 and comparative consolidated financial information of the Issuer as at and for the year ended 31 December 2019. The 2019 Audited Consolidated Financial Statements consist of consolidated financial information of the Issuer as at and for the year ended 31 December 2019 and comparative consolidated financial information of the Issuer as at and for the year ended 31 December 2018. The Audited Consolidated Financial Statements should be read in conjunction and in entirety with their respective related notes thereto.

The Audited Consolidated Financial Statements were prepared in accordance with the Singapore Companies Act, Chapter 50 of Singapore (the “**Singapore Companies Act**”), the Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) and the International Financial Reporting Standards (“**IFRS**”).

With effect from 1 January 2019, the Group adopted IFRS 16 Leases (“**IFRS 16**”) where the Group is required to recognise, reclassify and adjust certain of its financial line items in its financial statements. On transition to IFRS

16, the Group elected to apply IFRS 16 only to contracts that were previously identified as leases and the Group recognised additional right-of-use asset and additional lease liabilities, recognising the difference in retained earnings. Please refer to Note 2.5 of the 2019 Audited Consolidated Financial Statements for more details and for a discussion on the impact of the adoption of IFRS 16. As the Group has adopted SFRS(I) 16 applying the modified retrospective approach on transition with the date of initial application of 1 January 2019 and without requiring any restatement of the corresponding figures of the prior period before 1 January 2019, the Issuer's consolidated financial information as at and for the years ended 31 December 2018 may not be directly comparable against the Issuer's consolidated financial information after 1 January 2019. Investors must therefore exercise caution when making comparisons to any financial figures after 1 January 2019 when evaluating the Issuer's consolidated financial condition, results of operations and results.

As used in this Offering Circular, a non-IFRS financial measure is one that purports to measure historical or future financial performance, financial position or cash flows, but excludes or includes amounts that would not be so excluded or included in the most comparable IFRS measures. "**Adjusted net profit/(loss) on a realised basis**" is a non-IFRS financial measure which adjusts "(Loss)/Profit for the year" to exclude unrealised changes in fair value of investments and taking into account realisation of accumulated fair value changes of investments for each of the respective years and related expenses. Adjusted net profit/(loss) on a realised basis, as used in this Offering Circular, is a supplemental measure of the Group's performance and liquidity that are not required by or presented in accordance with IFRS, SFRS(I) or generally accepted accounting principles in certain other countries. Furthermore, adjusted net profit/(loss) on a realised basis is not a measure of financial performance or liquidity under the IFRS, SFRS(I) or any other generally accepted accounting principles and should not be considered as an alternative to net income, operating income or any other performance measures derived in accordance with IFRS, SFRS(I) or any other generally accepted accounting principles. Adjusted net profit/(loss) on a realised basis and should not therefore be considered in isolation from, or as a substitute for, the analysis of the financial condition or results of operations of the Group, as reported under IFRS, SFRS(I) or any other generally accepted accounting principles. Further, adjusted net profit/(loss) on a realised basis may not reflect all of the financial and operating results and requirements of the Group. In particular, adjusted net profit/(loss) on a realised basis does not reflect the Group's needs for capital expenditures, debt servicing or additional capital that may be required to replace assets that are fully depreciated or amortised. Other companies may calculate or define adjusted net profit/(loss) on a realised basis differently, limiting its usefulness as a comparative measure. The Issuer has presented these supplemental financial measures because it believes that these measures provide more meaningful presentation of the Group's financial performance taking into account the nature of its business which involves realisation of its investments. This data is also not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021, and should not be used as the basis for, or prediction of, an annualised calculation.

#### **DOCUMENTS INCORPORATED BY REFERENCE**

This Offering Circular should be read and construed in conjunction with (i) each applicable Pricing Supplement, (ii) the most recently prepared audited consolidated annual financial statements (including the Independent Auditors' Report thereon), any interim financial statements (whether audited or unaudited) prepared subsequently to such annual financial statements of the Group from time to time (if any), (iii) all amendments and supplements from time to time to this Offering Circular, which shall be deemed to be incorporated in, and to form part of, this Offering Circular and which shall be deemed to modify or supersede the contents of this Offering Circular to the extent that a statement contained in any such document is inconsistent with such contents. Any statement that is modified or superseded in this manner will no longer be part of this Offering Circular, except as so modified or superseded.

Copies of all such documents which are so deemed to be incorporated by reference herein (which, for the avoidance of doubt, shall exclude financial statements that are not published publicly by the Group), and to form part of, this Offering Circular are available for inspection with prior written request and satisfactory proof of holding and identity at the principal office of the Trustee at all reasonable times during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) set out at the end of this Offering Circular, provided that such documents have been made available to the Trustee.

## TABLE OF CONTENTS

	<u>Page</u>
SUMMARY OF THE PROGRAMME .....	10
SELECTED FINANCIAL INFORMATION .....	23
RISK FACTORS .....	26
TERMS AND CONDITIONS OF THE NOTES .....	68
TERMS AND CONDITIONS OF THE PERPETUAL SECURITIES .....	101
SUMMARY OF PROVISIONS RELATING TO THE SECURITIES WHILE IN GLOBAL FORM .....	135
USE OF PROCEEDS .....	139
CAPITALISATION AND INDEBTEDNESS .....	140
DESCRIPTION OF THE ISSUER AND THE GROUP .....	141
TAXATION .....	164
CLEARANCE AND SETTLEMENT .....	169
SUBSCRIPTION AND SALE .....	171
FORM OF PRICING SUPPLEMENT IN RELATION TO NOTES .....	176
FORM OF PRICING SUPPLEMENT IN RELATION TO PERPETUAL SECURITIES .....	186
GENERAL INFORMATION .....	195
INDEX TO FINANCIAL STATEMENTS .....	F-1

## SUMMARY OF THE PROGRAMME

*The following summary is qualified in its entirety by the remainder of this Offering Circular. This summary must be read as an introduction to this Offering Circular and any decision to invest in the Securities should be based on a consideration of this Offering Circular as a whole, including any information incorporated by reference. Some of the terms described below are subject to important limitations and exceptions. The Terms and Conditions of the Notes, the Terms and Conditions of the Perpetual Securities, the Trust Deed and the Agency Agreement will prevail to the extent of any inconsistency with the terms set out in this summary. Phrases used in this summary and not otherwise defined shall have the meanings given to them in the sections entitled “Terms and Conditions of the Notes” and “Terms and Conditions of the Perpetual Securities” or elsewhere in this Offering Circular.*

<b>Issuer</b> .....	Vertex Venture Holdings Ltd.
<b>Description</b> .....	U.S.\$2,000,000,000 Multicurrency Debt Issuance Programme.
<b>Size</b> .....	The maximum aggregate principal amount of the Securities to be issued, when added to the aggregate principal amount of all Securities outstanding, shall be U.S.\$2,000,000,000 (or its equivalent in other currencies) or such higher amount as may be increased in accordance with the terms of the Dealer Agreement.
<b>Arranger</b> .....	DBS Bank Ltd.
<b>Dealers</b> .....	DBS Bank Ltd. and such other Dealers as may be appointed by the Issuer in accordance with the Dealer Agreement. The Issuer may from time to time appoint one or more additional Dealers in accordance with the terms of the Dealer Agreement. Any such appointment of a Dealer may be in respect of a single Series, Tranche or the whole Programme. References in this Offering Circular to “ <b>Permanent Dealers</b> ” are to all Dealers other than those appointed as such solely in respect of one or more specified Tranches (and whose appointment has not been terminated) and references to “ <b>Dealers</b> ” are to all Permanent Dealers and any other Dealer that is appointed to the Programme.
<b>Trustee</b> .....	The Bank of New York Mellon, London Branch.
<b>Issuing and Paying Agent and (where appointed as contemplated in the Agency Agreement) Calculation Agent (in respect of Securities cleared through Euroclear/ Clearstream)</b> .....	The Bank of New York Mellon, London Branch.
<b>Non-CDP Transfer Agent and Non-CDP Registrar (in respect of Securities cleared through Euroclear/ Clearstream)</b> .....	The Bank of New York Mellon SA/NV, Dublin Branch.
<b>CDP Paying Agent, CDP Transfer Agent, CDP Registrar and (where appointed as contemplated in the Agency Agreement) CDP Calculation Agent (in respect of Securities cleared through CDP)</b> ...	The Bank of New York Mellon, Singapore Branch.
<b>Method of Issue</b> .....	The 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 (each a “ <b>Tranche</b> ”) on the same or different issue dates. The specific terms of each Tranche which will be set out in the applicable Pricing Supplement.

**Issue Price** ..... The Securities may be issued at par or at a discount, or premium, to par.

**Form and Denomination and Trading of the Securities** ..... The 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 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 depository for Euroclear and Clearstream (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 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 Securities upon the terms therein. Each Tranche or Series of Registered 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 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 and the Terms and Conditions of the Perpetual Securities, as applicable, a Certificate shall be issued in respect of each Securityholder’s entire holding of Registered Securities of one Series.

**Clearing Systems** ..... Clearstream, Euroclear, CDP and, in relation to any Tranche, such additional or alternative clearing system selected by the Issuer and approved by the Trustee, the relevant Registrar and the Issuing and Paying Agent.

**Initial Delivery of Securities** ..... On or before the issue date for each Tranche, the Global Security representing Bearer Securities or the Global Certificate representing Registered Securities may be deposited with a Common Depository or with CDP. Global Securities or Global Certificates may also be deposited with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Trustee, the Issuing and Paying Agent and the relevant Dealer. Registered Securities that are to be credited to one or more clearing systems on issue will be registered in the name of, or in the name of nominees or a common nominee for, such clearing systems.

**Currencies** ..... Subject to compliance with all relevant laws, regulations and directives, Securities may be issued in any currency agreed between the Issuer and the relevant Dealer(s).

**Denomination Amount** ..... Definitive Securities will be in such denominations as may be specified in the applicable Pricing Supplement save that unless otherwise permitted by then current laws and regulations, Securities (including Securities denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 of the Financial Services and Markets Act 2000 (“**FSMA**”) and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).

**Listing and Admission to Trading** . . . . Each Series of the 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. Unlisted Series of Securities may also be issued pursuant to the Programme.

If the application to the SGX-ST to list a particular Series of Securities is approved, for so long as such Securities are listed on the SGX-ST and the rules of the SGX-ST so require, such Securities will be traded on the SGX-ST in a minimum board lot size of at least S\$200,000 (or its equivalent in foreign currencies).

**Selling Restrictions** . . . . . The offer and sale of Securities in the United States, the EEA, the United Kingdom, Hong Kong, Singapore and Japan will be subject to certain restrictions. The Securities will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the IRC) (“**TEFRA D**”) unless:

- (i) the applicable Pricing Supplement states that Securities are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the IRC) (“**TEFRA C**”); or
- (ii) the Securities are issued other than in compliance with TEFRA D or TEFRA C but in circumstances in which the Securities will not constitute “**registration required obligations**” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“**TEFRA**”), which circumstances will be referred to in the applicable Pricing Supplement as a transaction to which TEFRA is not applicable.

For a description of certain restrictions on offers, sales and deliveries of the Securities and the distribution of offering material relating to the Securities, see the section on “*Subscription and Sale*” herein. The offering and marketing of any Tranche of Securities will be conducted in the EEA and the United Kingdom only in the Approved Jurisdictions specified in the applicable Pricing Supplement and will not be conducted in any other EEA member state. Further restrictions may apply in connection with any particular Series or Tranche of Securities.

***Additional Terms of the Notes***

**Notes Maturities** . . . . . Subject to compliance with all relevant laws, regulations and directives, Notes may have maturities of such tenor as may be agreed between the Issuer and the relevant Dealer(s).

**Interest Basis** . . . . . Notes may bear interest at fixed, floating, variable or hybrid rates 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 will bear interest determined separately for each Series as follows:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the Relevant Currency governed by an agreement incorporating the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc.; or
- (ii) by reference to SOR, SIBOR, HIBOR, CNH HIBOR, LIBOR or EURIBOR,

(or such other benchmark as may be specified in the applicable Pricing Supplement) as adjusted for any applicable margin. Interest periods will be specified in the applicable Pricing Supplement.

**Variable Rate Notes** ..... Variable Rate Notes will bear interest at a variable rate determined in accordance with the 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 SOR, SIBOR, HIBOR, CNH HIBOR, LIBOR or EURIBOR (or such other benchmark as may be specified in the applicable Pricing Supplement), as adjusted for any applicable margin.

**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 relation to default interest referred to in Condition 7(h) of the Notes.

**Interest Periods and Interest Rates** ... The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the applicable Pricing Supplement.

**Redemption** ..... Unless previously redeemed or purchased and cancelled as provided in the Terms and Conditions of the Notes, each Note will be redeemed at its Redemption Amount shown on its face on the relevant maturity date. Unless permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).

**Redemption at the Option of the Issuer and/or the holders of the Notes** .....

If so provided in the applicable Pricing Supplement, 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 as further set out in Condition 6(b) and/or 6(c) of the Terms and Conditions of the Notes and the applicable Pricing Supplement.

**Redemption for Taxation Reasons** ...

If so provided in the applicable 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 in the applicable Pricing Supplement, at any time on giving not less than 30 nor more than 60 days' notice to the Securityholders (which notice shall be irrevocable) and to the Trustee and the Issuing and Paying Agent in writing, at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (as defined in Condition 6(g) of the Terms and Conditions of the Notes) together with interest accrued to (but excluding) the date fixed for redemption, if the Issuer satisfies the Trustee immediately prior to the giving of such notice that:

- (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 of the Terms and

Conditions 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 a Tax Jurisdiction, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made on or after the Issue Date or any other date specified in the applicable 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 in the case of Minimum**

**Outstanding Amount** . . . . . If so provided in the applicable 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 in the applicable Pricing Supplement, at any time on giving not less than 30 nor more than 60 days' notice to the Securityholders (which notice shall be irrevocable) and in writing to the Trustee and the Issuing and Paying Agent 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, immediately before giving such notice, the aggregate principal amount of the Notes outstanding is less than 10 per cent. of the aggregate principal amount originally issued (including any further Notes issued pursuant to Condition 14 of the Terms and Conditions of the Notes and consolidated and forming a single series with the Notes).

**Status of Notes** . . . . . The Notes and Coupons of all Series will constitute direct, unconditional, unsubordinated and (subject to Condition 4(a) of the Terms and Conditions of the Notes) 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.

**Negative Pledge** . . . . . So long as any Note or Coupon remains outstanding (as defined in the Trust Deed), the Issuer will not, and will ensure that none of its Principal Subsidiaries will create, or have outstanding, any mortgage, charge, lien, pledge or other security interest ("**Security Interest**"), upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness (as defined in Condition 4(a) of the Terms and Conditions of the Notes) or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, other than a Permitted Security Interest (as defined in Condition 4(a) of the Terms and Conditions of the Notes), 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 Relevant Indebtedness, guarantee or indemnity or such other security as either (i) the Trustee shall in its absolute discretion deem not materially less beneficial to the interest of the Securityholders or (ii) shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Securityholders. For further details, please see Condition 4(a) of the Terms and Conditions of the Notes.

**Financial Covenants** ..... So long as any Note or Coupon remains outstanding, the Issuer shall ensure that the ratio of Consolidated Total Borrowings (as defined in Condition 4(b) of the Terms and Conditions of the Notes) to Consolidated Net Worth (as defined in Condition 4(b) of the Terms and Conditions of the Notes) shall not at any time be more than 1.5:1. For further details, please see Condition 4(b) of the Terms and Conditions of the Notes.

**Events of Default** ..... For more details on the Events of Default in relation to the Notes, please see Condition 10 of the Terms and Conditions 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 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 any Tax Jurisdiction 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 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 Condition 8 of the Terms and Conditions of the Notes.

**Governing Law** ..... The Trust Deed, the Notes, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them will be governed by, and shall be construed in accordance with, English law or Singapore law, as specified in the applicable Pricing Supplement.

*Additional terms of the Perpetual Securities*

**Perpetual Securities Maturities** ..... 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 of the Terms and Conditions of the Perpetual Securities and without prejudice to Condition 9 of the Terms and Conditions of the Perpetual Securities) only have the right (but not the obligation) to redeem or purchase them in accordance with the provisions of Condition 5 of the Terms and Conditions of the Perpetual Securities.

**Distribution Basis** ..... 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.

**Floating Rate Perpetual Securities** ... The distribution rate in respect of Floating Rate Perpetual Securities shall be determined separately for each Series as follows:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the Relevant Currency governed by an agreement incorporating the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc.; or
- (ii) by reference to SOR, SIBOR, HIBOR, CHN HIBOR, LIBOR or EURIBOR,

(or such other benchmark as may be specified in the applicable Pricing Supplement) as adjusted for any applicable margin. Distribution periods will be specified in the applicable Pricing Supplement.

**Distribution Periods and Distribution**

**Rates** ..... The length of the distribution periods for the Perpetual Securities and the applicable distribution rate or its method of calculation may differ from time to time or be constant for any Series. Perpetual Securities may have a maximum distribution rate, a minimum distribution rate, or both. The use of distribution accrual periods permits the Perpetual Securities to allow distribution at different rates in the same distribution period. All such information will be set out in Condition 4 of the Terms and Conditions of the Perpetual Securities and the applicable Pricing Supplement.

**Distribution Deferral** ..... If Distribution Deferral is set out in the applicable 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 Terms and Conditions of the Perpetual Securities) by giving notice to the Trustee, the Issuing and Paying Agent and the Perpetual Securityholders (in accordance with Condition 14 of the Terms and Conditions of the Perpetual Securities) not more than 20 nor less than five business days (or such other notice period as may be specified on the face of the Perpetual Security and the applicable Pricing Supplement) prior to a scheduled Distribution Payment Date.

If Dividend Pusher is set out in the applicable Pricing Supplement, 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, any of the following have occurred:

- (i) a dividend, distribution or other payment has been declared or paid on or in respect of any Junior Obligations (as defined in the Terms and Conditions of the Perpetual Securities) or, in the case of Subordinated Perpetual Securities only, (except on a *pro rata* basis) Parity Obligations (as defined in the Terms and Conditions of the Perpetual Securities); or
- (ii) any Junior Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration or, in the case of Subordinated Perpetual Securities only, (except on a *pro rata* basis) Parity Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration; and/or
- (iii) as otherwise specified in the applicable Pricing Supplement,

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 Parity Obligations for Junior Obligations and/or as otherwise specified in the applicable Pricing Supplement.

**Non-Cumulative Deferral and**

**Cumulative Deferral** ..... If Non-Cumulative Deferral is set out in the applicable Pricing Supplement, any distribution deferred pursuant to Condition 4(IV) of the Terms and Conditions 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 Terms and Conditions 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 Terms and Conditions 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 set out in the applicable Pricing Supplement, any distribution deferred pursuant to Condition 4(IV) of the Terms and Conditions 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 Terms and Conditions 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 Terms and Conditions of the Perpetual Securities except that Condition 4(IV) (c) of the Terms and Conditions of the Perpetual Securities shall be complied with until all outstanding Arrears of Distribution have been paid in full.

If Additional Distribution is set out in the applicable 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 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 Terms and Conditions of the Perpetual Securities and shall be calculated by applying the applicable Distribution Rate to the amount of the Arrears of Distribution and otherwise *mutatis mutandis* as provided in the provisions of Condition 4 of the Terms and Conditions 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 set out in the applicable 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:

- (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 Junior Obligations or, in the case of Subordinated Perpetual Securities only, (except on a *pro rata* basis) 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 Junior Obligations or, in the case of

Subordinated Perpetual Securities only, (except on a *pro rata* basis) Parity Obligations, and/or

(iii) as otherwise specified in the applicable Pricing Supplement,

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 Parity Obligations for Junior Obligations, 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.

**Status of the Senior Perpetual**

**Securities** ..... The Senior Perpetual Securities and Coupons relating to them 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 *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 will 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 Condition 3(b) of the Terms and Conditions of the Perpetual Securities.

**Subordination of Subordinated**

**Perpetual Securities** ..... Subject to the insolvency laws of Singapore and other applicable laws, in the event of the winding-up of the 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 (x) all claims of senior creditors of the Issuer and (y) all claims of holders of the Redeemable Preference Shares, but at least *pari passu* with all other subordinated obligations of the Issuer that are not expressed by their terms to rank junior to the Subordinated Perpetual Securities and in priority to the claims of shareholders of the Issuer and/or as otherwise specified in the applicable Pricing Supplement.

**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 the winding-up or administration of the Issuer, 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 in the applicable Pricing Supplement, the Issuer may, on giving not less than 30 nor more than 60 days' irrevocable notice to the Perpetual Securityholders (or such other notice period as may be specified in the applicable Pricing Supplement) and in writing to the Trustee and the Issuing and Paying Agent, redeem all or, if so provided, some of the Perpetual Securities on the date or dates so provided. Any such redemption of Perpetual Securities shall be 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.

**Redemption for Taxation Reasons . . . .**

If so provided in the applicable 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 in the applicable Pricing Supplement, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable) and in writing to the Trustee and the Issuing and Paying Agent, at their Redemption Amount, together with distribution (including any Optional Distributions, 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 Arrears of Distribution and any Additional Distribution Amount) will not be regarded as interest payable on indebtedness and/or will not enjoy the tax concessions and exemptions available for "qualifying debt securities" under the ITA; or
- (ii) the Issuer satisfies the Trustee immediately prior to the giving of such notice that (a) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 of the Terms and Conditions 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 a Tax Jurisdiction as defined in Condition 7 of the Terms and Conditions of the Perpetual Securities, 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 applicable Pricing Supplement, and (b) 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 in the applicable 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 in the applicable Pricing Supplement, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable) and to the Trustee and the Issuing and Paying Agent in writing, 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 after that Distribution Payment Date, as a result of any changes or amendments to the Singapore Financial Reporting Standards (International), as amended from time to time ("**SFRS(I)s**"), the International Financial Reporting Standards, as amended from time to time (the "**IFRS**") or any other accounting standards that may replace SFRS(I)s and/or IFRS 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 in the applicable 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 in the applicable Pricing Supplement, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable) and in writing to the Trustee and the Issuing and Paying Agent 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):

- (i) if 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 Singapore or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective 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, for the avoidance of doubt, includes any ruling) 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 was announced before the Issue Date,

payments by the Issuer, which would otherwise have been tax deductible to the Issuer, are no longer, or would in the Distribution Period immediately following that Distribution Payment Date no longer be, fully deductible by the Issuer for Singapore income tax purposes; or

- (ii) if the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that the Issuer is not entitled to tax deductions for the distributions (including Arrears of Distribution and any Additional Distribution Amount) made, as interest payments, in accordance with Section 14(1) of the ITA (including Section 14(1)(a) of the ITA).

**Redemption in the case of Minimal**

**Outstanding Amount** . . . . . If so provided in the applicable 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 in the applicable Pricing Supplement, 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 (including any further Perpetual Securities issued pursuant to Condition 12 of the Perpetual Securities and consolidated and forming a single series with the Perpetual Securities).

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

**Redemption upon a Ratings Event** . . . . . If so provided in the applicable 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 in the applicable Pricing Supplement, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable) and in writing to the Trustee and the Issuing and Paying Agent at their Redemption Amount, (together with distribution (including any Arrears of Distribution and any Additional Distribution Amounts) accrued to (but excluding) the date fixed for redemption), if as of the date fixed for redemption, an amendment, clarification or change has occurred, or will in the Distribution Payment Period immediately following the date fixed for redemption occur, in the equity credit criteria, guidelines or

methodology of the Rating Agency (as defined in the Terms and Conditions of the Perpetual Securities) specified in the applicable Pricing Supplement (or any other rating agency of equivalent recognised standing requested from time to time by the Issuer to grant a rating to the Issuer or the Perpetual Securities) and in each case, any of their respective successors to the rating business thereof, which amendment, clarification or change results or will result in a lower equity credit for the Perpetual Securities than the equity credit assigned or which would have been assigned on the Issue Date (in the case of such Rating Agency) or assigned at the date when equity credit is assigned for the first time (in the case of any other rating agency).

**Limited right to institute proceedings  
in relation to Perpetual  
Securities** .....

Notwithstanding any of the provisions in Condition 9 of the Terms and Conditions of the Perpetual Securities, the right to institute proceedings for winding-up is limited to circumstances where payment has become due. In the case of any distribution, such distribution will not be due if the Issuer has elected not to pay that distribution in accordance with Condition 4(IV) of the Terms and Conditions of the Perpetual Securities.

**Proceedings for Winding-Up** .....

If (i) a final and effective order is made or an effective resolution is passed for the winding-up of the Issuer or (ii) the Issuer fails to make payment of principal or distributions (including any Arrears of Distribution and any Additional Distribution Amount) in respect of the Perpetual Securities when due and such failure continues for a period of more than three business days in the case of principal and five business days in the case of distributions (including any Arrears of Distribution and any Additional Distribution Amount), the Issuer shall be deemed to be in default under the Trust Deed and the Perpetual Securities and the Trustee may, subject to the provisions of Condition 9(d) of the Terms and Conditions 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 of the Perpetual Securities at their principal amount together with any distributions accrued (including any Arrears of Distribution and any Additional Distribution Amount).

**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 any Tax Jurisdiction, 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 specified in the Terms and Conditions of the Perpetual Securities.

**Governing Law** .....

The Trust Deed, the Perpetual Securities, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with either (a) English law, except that the subordination provisions set out in Condition 3(b) applicable to the Issuer shall be governed by and construed in accordance with the laws of Singapore or (b) Singapore law, as specified in the applicable Pricing Supplement.

## SELECTED FINANCIAL INFORMATION

The following tables set out certain summary consolidated financial information of the Issuer as at and for the periods indicated.

The summary consolidated financial information of the Issuer as of, and for, the years ended 31 December 2018, 2019 and 2020 are derived from the 2020 Audited Consolidated Financial Statements and the 2019 Audited Consolidated Financial Statements. Such financial information should be read in conjunction with the 2020 Audited Consolidated Financial Statements and the 2019 Audited Consolidated Financial Statements and their respective notes thereto. The Audited Consolidated Financial Statements were prepared in accordance with the Singapore Companies Act, SFRS(I) and IFRS and have been audited by KPMG.

With effect from 1 January 2019, the Group adopted IFRS 16 where the Group is required to recognise, reclassify and adjust certain of its financial line items in its financial statements. On transition to IFRS 16, the Group elected to apply IFRS 16 only to contracts that were previously identified as leases and the Group recognised additional right-of-use asset and additional lease liabilities, recognising the difference in retained earnings. Please refer to Note 2.5 of the 2019 Audited Consolidated Financial Statements for more details and for a discussion on the impact of the adoption of IFRS 16. As the Group has adopted SFRS(I) 16 applying the modified retrospective approach on transition with the date of initial application of 1 January 2019 and without requiring any restatement of the corresponding figures of the prior period before 1 January 2019, the Issuer's consolidated financial information as at and for the years ended 31 December 2018 may not be directly comparable against the Issuer's consolidated financial information after 1 January 2019. Investors must therefore exercise caution when making comparisons to any financial figures after 1 January 2019 when evaluating the Issuer's consolidated financial condition, results of operations and results.

### Statements of Financial Position

	Group		
	2018	2019	2020
	U.S.\$'000		
<b>Non-current assets</b>			
Property, plant and equipment	659	292	412
Right-of-use assets	—	2,336	2,344
Subsidiaries	—	—	—
Associates	297,618	484,856	738,519
Investments	780,894	915,608	448,728
Other receivables and advances	2,809	2,921	1,301
	<u>1,081,980</u>	<u>1,406,013</u>	<u>1,191,304</u>
<b>Current assets</b>			
Trade and other receivables	9,450	5,293	324,275
Cash and cash equivalents	117,515	84,965	128,621
	<u>126,965</u>	<u>90,258</u>	<u>452,896</u>
Total assets	<u>1,208,945</u>	<u>1,496,271</u>	<u>1,644,200</u>
<b>Equity</b>			
Share capital	378,273	428,273	464,911
Merger reserve	12,819	12,819	12,819
Foreign currency translation reserve	4,496	5,454	6,965
Retained earnings	725,898	905,605	865,157
Equity attributable to owners of the Company	<u>1,121,486</u>	<u>1,352,151</u>	<u>1,349,852</u>
Non-controlling interests	9,158	47,064	90,343
Total equity	<u>1,130,644</u>	<u>1,399,215</u>	<u>1,440,195</u>
<b>Non-current liabilities</b>			
Redeemable preference shares	—	25,700	40,700
Deferred tax liabilities	1,195	1,243	317
Other long-term liabilities	1,265	1,265	1,146
Lease liabilities	—	1,624	1,289
Provisions	26,764	22,726	156
	<u>29,224</u>	<u>52,558</u>	<u>43,608</u>

	Group		
	2018	2019	2020
	<i>U.S.\$'000</i>		
<b>Current liabilities</b>			
Trade and other payables . . . . .	45,840	25,881	51,220
Lease liabilities . . . . .	—	681	1,072
Provisions . . . . .	526	669	1,104
Borrowings . . . . .	—	—	99,000
Current tax payable . . . . .	2,711	17,267	8,001
	<u>49,077</u>	<u>44,498</u>	<u>160,397</u>
Total liabilities . . . . .	<u>78,301</u>	<u>97,056</u>	<u>204,005</u>
Total equity and liabilities . . . . .	<u>1,208,945</u>	<u>1,496,271</u>	<u>1,644,200</u>

### Consolidated statements of profit or loss

	Group		
	2018	2019	2020
	<i>U.S.\$'000</i>		
Revenue . . . . .	37,894	19,884	959
Net (loss)/gain from investments at FVTPL . . . . .	36,981	119,738	(95,871)
Other income . . . . .	338	2,701	918
Staff costs . . . . .	(6,525)	(7,769)	(8,587)
Other operating expenses . . . . .	(17,885)	(27,701)	(16,192)
Results from operating activities . . . . .	50,803	106,853	(118,773)
Finance costs . . . . .	—	(1,275)	(3,226)
Share of results of associates, net of tax . . . . .	35,883	97,712	89,448
(Loss)/Profit before tax . . . . .	86,686	203,290	(32,551)
Tax expense . . . . .	(756)	(14,978)	(93)
(Loss)/Profit for the year . . . . .	<u>85,930</u>	<u>188,312</u>	<u>(32,644)</u>
(Loss)/Profit attributable to:			
Owners of the Company . . . . .	85,369	188,464	(40,448)
Non-controlling interests . . . . .	561	(152)	7,804
(Loss)/Profit for the year . . . . .	<u>85,930</u>	<u>188,312</u>	<u>(32,644)</u>
(Loss)/Profit attributable to Owners of the Company . . . . .	85,369	188,464	(40,448)
Net unrealised (gain)/loss from investments at fair value . . . . .	(91,505)	(209,249)	3,650
Realisation of prior years' unrealised net gain from investments at fair value . . .	35,327	8,091	184,930
Expenses/(reversal of expenses) related to the unrealised gain/loss from investments . . . . .	—	9,590	(1,987)
Adjusted net profit/(loss) on a realised basis <sup>(1)</sup> . . . . .	<u>29,191</u>	<u>(3,104)</u>	<u>146,145</u>

Note:

(1) After adjusting to exclude unrealised changes in fair value of investments and taking into account realisation of accumulated fair value changes of investments for each of the respective years and related expenses, the adjusted net profit/(loss) on a realised basis are presented above.

As used in this Offering Circular, a non-IFRS financial measure is one that purports to measure historical or future financial performance, financial position or cash flows, but excludes or includes amounts that would not be so excluded or included in the most comparable IFRS measures. “Adjusted net profit/(loss) on a realised basis” is a non-IFRS financial measure which adjusts “(Loss)/Profit for the year” to exclude unrealised changes in fair value of investments and taking into account realisation of accumulated fair value changes of investments for each of the respective years and related expenses. Adjusted net profit/(loss) on a realised basis, as used in this Offering Circular, is a supplemental measure of the Group’s performance and liquidity that are not required by or presented in accordance with IFRS, SFRS(I) or generally accepted accounting principles in certain other countries. Furthermore, adjusted net profit/(loss) on a realised basis is not a measure of financial performance or liquidity under the IFRS, SFRS(I) or any other generally accepted accounting principles and should not be considered as an alternative to net income, operating income or any other performance measures derived in accordance with IFRS, SFRS(I) or any other generally accepted accounting principles. Adjusted net profit/(loss) on a realised basis and should not therefore be considered in isolation from, or as a substitute for, the analysis of the financial condition or results of operations of the Group, as reported under IFRS, SFRS(I) or any other generally accepted accounting principles. Further, adjusted net profit/(loss) on a realised basis may not reflect all of the financial and operating results and requirements of the Group. In particular, adjusted net profit/(loss) on a realised basis does not reflect the Group’s needs for capital expenditures, debt servicing or additional capital that may be required to replace assets that are fully depreciated or amortised. Other companies may calculate or define adjusted

net profit/(loss) on a realised basis differently, limiting its usefulness as a comparative measure. The Issuer has presented these supplemental financial measures because it believes that these measures provide more meaningful presentation of the Group's financial performance taking into account the nature of its business which involves realisation of its investments. This data is also not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021, and should not be used as the basis for, or prediction of, an annualised calculation.

### Consolidated statement of comprehensive income

	<b>Group</b>		
	<u>2018</u>	<u>2019</u>	<u>2020</u>
		<i>U.S.\$'000</i>	
(Loss)/Profit for the year . . . . .	85,930	188,312	(32,644)
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences – foreign operations . . . . .	<u>(2,181)</u>	<u>958</u>	<u>1,511</u>
Other comprehensive income for the year, net of tax . . . . .	<u>(2,181)</u>	<u>958</u>	<u>1,511</u>
Total comprehensive income for the year . . . . .	<u>83,749</u>	<u>189,270</u>	<u>(31,133)</u>
Total comprehensive income attributable to:			
Owners of the Company . . . . .	83,188	189,422	(38,937)
Non-controlling interests . . . . .	<u>561</u>	<u>(152)</u>	<u>7,804</u>
Total comprehensive income for the year . . . . .	<u>83,749</u>	<u>189,270</u>	<u>(31,133)</u>

## RISK FACTORS

*Prior to making any investment decision, prospective investors in or existing holders of the Securities should consider carefully all of the information in this Offering Circular, including any documents incorporated by reference herein and the risks and uncertainties described below. Any of the risks described below could materially and adversely affect the Issuer's ability to satisfy its obligations, including those under the Securities, and have a material adverse effect on the Issuer's and/or the Group's business, financial condition or results of operations. In that event, the market price of the Securities could decline and investors may lose all or part of their investment in the Securities. The risks and uncertainties described below are not the only risks and uncertainties the Issuer and the Group face. In addition to the risks described below, there may be other risks and uncertainties not currently known to the Issuer or the Group or that the Issuer or the Group currently deem to be immaterial which may in the future become material risks. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. Sub-headings are for convenience only and risk factors that appear under a particular sub-heading may also apply to one or more other sub-headings.*

### **RISKS ASSOCIATED WITH THE ISSUER'S BUSINESS AND OPERATIONS**

*The ability of the Issuer to fulfil its obligations under the Securities is supported by cash flows from a portfolio of Fund Investments, which are generated mainly through the liquidation of or exit from investments by the Funds. The ability of the Issuer to make payments (and the timing and amount of such payments) on the Securities is highly dependent on the performance of the Funds and the underlying Fund Investments. The performance of the Funds and, accordingly, the Fund Investments can be highly variable. As such the Funds and, accordingly, Fund Investments may not achieve its investment objectives. Any matter or risk which may materially and/or adversely affect the Funds would have a corresponding material and/or adverse effect on the Fund Investments, which may in turn materially and adversely affect the Group's business, results of operations and financial condition.*

*These risks are further described in the sections below.*

#### **Risks relating to the Funds and the Fund Investments**

***There is no certainty on the amount or timing of distributions from Fund Investments and there can be no assurance that the Fund Investments will generate sufficient cash flows for the Issuer to meet its obligations under the Securities***

The Fund Investments are venture capital investments, which typically do not generate a determinable and scheduled stream of income and the level of distributions thereon is uncertain. Most venture capital funds such as the Funds have a maturity date by which the venture capital fund is required to have liquidated its investments and returned all available proceeds to the investors in the venture capital fund. In certain cases, these venture capital funds may also permit the General Partner to extend such maturity date by certain periods, and there may be few or no limitations on the General Partner's discretion to do so.

The Funds may hold unlisted equity securities which may not be easily converted into cash. Such Funds generally expect to realise a profit on an investment in a Portfolio Company upon the sale of such investment (whether through an IPO of the Portfolio Company or in a privately negotiated sale of the Portfolio Company or its assets), or through distributions of income over substantial periods of time. As a result, certain of the Fund Investments represent long-term investments that are generally not expected to generate an investment return or cash flows for a number of years. Consequently, the timing of cash distributions to the Issuer and the Issuer from the Fund Investments may be uncertain and unpredictable and may not be aligned with the timing for the Issuer to pay the principal or interest on the Securities.

In light of the above, there can be no assurance that the Fund Investments will generate sufficient cash flows to repay the Securities.

***An adverse change in macro-economic or market conditions resulting from events such as trade tensions or global pandemics could result in falling venture capital asset valuations and/or reduction in deal activities, which may lead to the Issuer receiving less distributions from its Fund Investments if exits on the underlying investments in Portfolio Companies occur during a period of declining asset valuations or deal activities***

Changes in the geo-political landscape, trade tensions, natural disasters or the occurrence of a global pandemic (such as the unfolding COVID-19 outbreak, which was declared by the World Health Organisation to be a pandemic on 11 March 2020 ("COVID-19")) (each, a "Macro Event") could have a significant impact on venture capital asset valuations and/or the volume of venture capital deal activity if they cause (a) adverse changes in certain macro-economic expectations based on which companies (including Portfolio Companies) are

valued; (b) disruptions in a Portfolio Company's supply chains or changes in the demand for a Portfolio Company's products and/or services, which affects such Portfolio Company's growth prospects; and/or (c) adverse changes in public market valuations due to its traditionally high correlation with venture capital asset valuations, where an adverse change in public market valuations could be caused by adverse changes in investor's confidence in certain companies (including Portfolio Companies), and their risk appetite in major world economies, including, the United States, Europe and China.

The occurrence of some or all of the Macro Events could result in a macro-economic environment which is not favourable to venture capital General Partners or fund managers and/or venture capital asset valuations. If the venture capital General Partners or fund managers were to exit the underlying investments in Portfolio Companies during a period of declining asset valuations or deal activity, they may not be able to sell those investments at the same attractive valuations and/or acquisition multiples as they might have received in a more buoyant market. In such a case, the Funds will receive lower level of cash flows which will lead to a consequent decline in distributions to the Issuer from its Fund Investments.

Further, changes in general economic conditions may affect each Fund's activities. Interest rates, general levels of economic activity, the price of securities and participation by other investors in the financial markets may affect the value and number of investments made by each Fund or considered for prospective investment. Material changes and fluctuations in the economic environment, particularly of the type experienced since the financial crisis in 2008 that caused significant dislocations, illiquidity and volatility in the wider global economy, may affect each Fund's ability to make investments and the value of investments held by each Fund. The short-term and the longer-term impact of these events are uncertain, but they could continue to have a material effect on general economic conditions, consumer and business confidence and market liquidity. Any economic downturn resulting from a recurrence of such marketplace events and/or continued volatility in the financial markets could adversely affect the financial resources of Portfolio Companies. Each Fund's investments can be expected to be sensitive to the performance of the overall economy. A negative impact on economic fundamentals and consumer and business confidence has increased market volatility and reduced liquidity, both of which could have a material adverse effect on the performance of the Fund's investments. No assurance can be given as to the effect of these events on each Fund's investments or investment objectives.

***The COVID-19 pandemic is ongoing and there is continued uncertainty around the trajectory of the pandemic and its impact on the global economy, which may have an adverse impact on the valuation of and cash flows from Fund Investments***

The COVID-19 pandemic and ensuing public health responses from governments around the world have had an unprecedented impact on the global economy, resulting in turmoil and dislocation for, among others, businesses and employment. The imposition of widespread "lock-down" or "work from home" arrangements, quarantine measures, border closures and other travel restrictions ("**Social Distancing Measures**") have caused and may continue to cause commercial disruptions on a global scale, and in some cases result in reduced labour productivity, disruptions in supply chains and/or reduced consumer demand for certain products and/or services, business shut-downs and other disruptions to business operations.

The Portfolio Companies may be affected by some or all of the above-mentioned disruptions. In addition, the ability of the third party service providers engaged by the Issuer to provide services or to fulfil their responsibilities in certain respects to the Issuer (including, without limitation, the ongoing monitoring of General Partners and Funds) could be adversely affected by the COVID-19 pandemic. While the business continuity arrangements of the service providers may mitigate such disruptions to some extent, there is no assurance that there could be no disruption or adverse effect at all.

Global markets experienced significant volatility and the value of publicly listed companies generally suffered a significant loss during the first quarter of 2020, with sell-offs of risky assets amid fears of widespread business closures and bankruptcies. Governments and central banks of the major economies took swift policy actions to provide stimulus packages to the wider economy and unprecedented amount of emergency financing to selected capital market segments. However, there is no assurance that the stimuli will continue to be available, or that it will continue to be effective to support the economy. While the value of stock markets worldwide, as well as venture capital asset valuations in general, have seen some recovery, there is no assurance that there will not be further financial or market downturns.

For example, subsequent waves of infections may result in further implementation of Social Distancing Measures and/or delay in the re-opening of borders or resumption of normal economic activities. The aggregated impact of economic slowdown in individual countries may adversely affect the global macro-economic conditions and/or slow the pace of economic recovery.

The unprecedented roll-out of COVID-19 vaccines is still ongoing, with challenges in manufacturing and distribution of such vaccines on a global scale. Pending widespread effective vaccinations, the COVID-19 pandemic remains a serious public health concern.

Given that the COVID-19 pandemic is still unfolding, its full impact on macro-economic conditions remains to be seen. Such uncertainty could have significant adverse impact on the Portfolio Companies' businesses and consequently, the valuation of venture capital fund investments, as well as the ability of venture capital General Partners or fund managers to exit their venture capital funds' investments in the future. In such an adverse scenario, the Issuer may receive less distributions from its Fund Investments and/or reduce the value of its Fund Investments.

***Fund Investments are highly illiquid***

Each Fund may invest in companies the securities of which are not, at the time of investment, and may never be, publicly traded. These investments may be difficult to value and to sell or otherwise liquidate, and the risk of investing in such companies is generally much greater than the risk of investing in publicly traded securities. Furthermore, companies whose securities are not publicly traded are not subject to the same disclosure and other investor protection requirements that are generally applicable to companies with publicly traded securities. Furthermore, there can be no assurance that private purchasers for the Fund's investments will be found. In addition, in certain circumstances, governmental or regulatory approvals may be required for the Fund to dispose of an investment or the Fund may be prohibited by contract or for legal or regulatory reasons from selling an investment for a period of time. Dispositions of such investments in illiquid securities may require a lengthy period of time or may, upon the termination of the Fund, result in distributions in-kind to Limited Partners. There can be no guarantee when, or if at all, a Limited Partner would be able to realise any assets received by way of a distribution in-kind.

The Fund Investments are generally illiquid, have no public market and are not transferable except in certain circumstances with the prior consent of the General Partner and pursuant to applicable laws. Limited Partners are not permitted to voluntarily withdraw from the Fund, except in limited circumstances when necessary to comply with laws or regulations applicable to a Limited Partner. As such, Limited Partners will be committed to the Fund for an extended period of time. The offer and sale of interests in the Fund have not been and will not be registered under the Securities and Futures Act, the Securities Act, or any other applicable securities laws. Furthermore, the offer of interests in venture capital funds (including interests in a Fund) is generally not registered under applicable securities laws of each jurisdiction where the offer is made due to the availability of certain exemptions or "safe harbours" from the relevant registration requirements. Accordingly, the governing documents of venture capital funds (including the governing documents of the Funds) generally will impose restrictions on transfer of investors' interests in such venture capital funds in order to comply with the applicable exemptions or "safe harbours". Such interests are not and will not be listed on any investment exchange, there is no public market in them and no such market is expected to develop. Consequently, it may not be possible to sell an interest in the Fund. In addition, any transfer by a Limited Partner of its Interest in the Fund is subject to the consent of the General Partner, which may be given or withheld in the General Partner's sole discretion.

As such, the Issuer bears the risks of owning the Fund Investments for the long term.

***Fund Investments are long-term investments and there is no assurance of investment returns for the Fund Investments***

The Fund Investments require a long-term commitment with no certainty of return. Although investments by a Fund may occasionally generate current income, the return of capital and the realisation of gains, if any, from an investment of the Fund will generally occur only upon the partial or complete disposition of such investment, which may not occur for a number of years after such investment is made.

A Fund may enter into high-risk investment opportunities. Portfolio companies in which a Fund invests may not achieve their expected operational objectives and may experience substantial fluctuations in their operating results. The relevant Fund will be subject to the risks associated with the underlying businesses in which its Portfolio Companies engage, including market conditions, changes in regulatory environment, general economic and political conditions, the loss of key management personnel, the manner and timing of dispositions and other factors. There is no assurance that the General Partner will be able to generate returns for the Fund's investors or that returns will be commensurate with the risks of investing directly in the Portfolio Companies. There have been instances where investments in Portfolio Companies have yielded no returns for the Funds investing in them. If this occurs, the Fund could suffer substantial losses and, consequently, the Issuer will not receive any distributions, and could suffer the loss in the value of its Fund Investments, in relation to such unsuccessful investments.

***There may be no secondary market for the Fund Investments and proceeds from sale of a Fund Investment may be less than its net asset value***

There may be no secondary market for many or all of the Fund Investments, and any such markets, to the extent they exist, are likely to be highly illiquid and this may be exacerbated by the uncertainties in the capital markets or other market conditions brought about by the COVID-19 pandemic. In addition, the Fund Investments may be difficult to value and any disposition of them may require a lengthy period of time to accomplish.

In the event of a disposal of any of the Issuer's Fund Investments, as a result of the highly illiquid nature of the Fund Investments, proceeds received in respect of any sale of a Fund Investment may be substantially less than its net asset value. If the entire portfolio of Fund Investments were to be sold, there can be no assurance that the aggregate sale proceeds would be equal to or greater than the aggregate of the Issuer's liabilities (including, without limitation, the principal amount outstanding under the Securities).

***The Funds may employ leverage and use as collateral by which may increase their risk of loss and subject their assets to the claims of creditors***

The Funds may employ leverage and incur debt to finance all or a portion of their underlying Portfolio Companies, and may utilise various lines of credit and other forms of leverage, including swaps. While leverage presents opportunities for increasing a Fund's total return and cash flows, it has the effect of potentially increasing losses as well. If income and appreciation on investments made by the Fund with borrowed funds are less than the required payments of interest and principal on the borrowings, the value of the Fund will decrease and, in turn, diminish the returns and cash flows from a Fund Investment in that Fund. Additionally, any event that adversely affects the value of an investment by a Fund would be magnified to the extent such Fund uses leverage on the investment. In addition, the cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), and at times it may be difficult to obtain or maintain the desired degree of leverage. There is no assurance that the current low interest rate environment will persist. The cumulative effect of the use of leverage by a Fund in a rising interest rate environment and/or in a market that moves adversely against such Fund's investments could result in a substantial loss to the Fund, and consequently to the Issuer.

Funds which employ leverage may use their assets (including undrawn capital commitments of their investors or limited partners) as collateral for such indebtedness. The existence of such indebtedness and use of collateral could subject the assets of a Fund to the claims of the Fund's creditors and may have an adverse impact on the distributions from such Fund to its investors, including the Issuer as owner of the Fund Investment in such Fund, which may, in turn, adversely impact the cash flows available to the Issuer for payments to the holders of the Securities.

***Borrowing and the use of leverage may increase exposure of Portfolio Companies to adverse financial or economic conditions and impair a Portfolio Company's ability to finance operational and capital needs***

A Portfolio Company may incur debt for its own operations. The leveraged capital structure of Portfolio Companies will increase the exposure of the Fund's investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of the Fund's investments in the leveraged Portfolio Companies in a down market. In the event any Portfolio Company cannot generate adequate cash flow to meet debt service, the Fund may suffer a partial or total loss of capital invested in the Portfolio Company, which could adversely affect the returns of the Fund.

In addition, such Portfolio Companies may be subject to restrictive financial and operating covenants. The leverage may impair these companies' ability to operate their business as desired and/or finance their future operations and capital needs. A highly leveraged company or asset is generally more sensitive to downturns in its business and to changes in prevailing economic conditions than a company with a lower level of debt. The ability of a Portfolio Company to refinance indebtedness may depend on its ability to raise further debt-financing such as issuing new securities in the high yield debt market or otherwise.

Furthermore, should the credit markets be unfavourable at the time the Fund determines that it is desirable to sell all or a part of a Portfolio Company, the Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the companies in which the Fund will invest generally will not be rated by a credit rating agency, which may make the valuations of the debt component of the capital structure of a Portfolio Company difficult.

Any of the above factors may adversely affect the performance of the relevant Portfolio Companies, which may in turn lead to the Issuer receiving less distributions from its Fund Investments. In addition, the cumulative effect

of the use of leverage by Funds and Portfolio Companies in which venture capital funds may invest as described above may compound and/or exacerbate the risks associated with each of the foregoing.

***The performance of Fund Investments depends on the abilities of the General Partners, the Captive Manager and the members of the investment teams of the Funds***

The Funds may have limited or no operational history and may have no established track record in achieving their investment objectives. The success or failure of any investment in a venture capital fund, such as the Fund Investments, depends largely on the ability, skills and expertise of its General Partner, the Captive Manager and the members of the investment team of the Fund, to select, develop and realise appropriate investments in Portfolio Companies held by the Funds. The General Partner and the Captive Manager, as the case may be, will be responsible for making all investment and management decisions on behalf of the relevant Funds.

There is ever increasing competition among alternative asset firms, financial institutions, venture capital firms, investment managers and other industry participants for hiring and retaining qualified investment professionals and there can be no assurance that the investment team of the Funds will continue to be employed or associated with the General Partner or the Captive Manager throughout the life of the relevant Fund. In certain Funds, should one or more of these individuals become incapacitated or in some way cease to participate in the management of the relevant Fund, the performance of such Fund could be adversely affected. In addition, the past performance of a given General Partner or investment team is not predictive of the future performance of that General Partner or investment team.

As a result of the high degree of risk associated with the Fund Investments, there can be no assurance that the Fund Investments will generate sufficient cash flows to repay the Securities. Furthermore, some or all of the Fund Investments may decline in value and affect the ability of the Issuer to fulfil its obligations under the Securities.

***There is no assurance that investments made by the Funds will be successful***

The performance of a Portfolio Company may be highly dependent on its management team as well as other factors or circumstances beyond its control. A Portfolio Company may perform poorly after an investment is made by a venture capital fund (such as the Funds) in such Portfolio Company due to factors or circumstances affecting such Portfolio Company (for example, weak management, intense competition, inadequate financing or disruptive market or industry conditions). As mentioned earlier, the COVID-19 pandemic could be one of the reasons why markets or industries may be disrupted. There can be no assurance that any investment made by such venture capital fund in a Portfolio Company will be successful.

***The performance of Portfolio Companies could be impacted by political, social-economical and other market-related factors***

Portfolio companies of the Funds may be sensitive to movements in the overall economy, changes in laws, currency exchange controls, changes in national and international political and socioeconomic circumstances, or in the Portfolio Companies' industrial or economic sectors. A recession, sustained downturn in the global economy (or any particular segment thereof) or adverse development in the geopolitical landscape or the securities or financial markets might have an adverse impact on some or all of the investments held by such Fund in Portfolio Companies, which may impede the ability of the Portfolio Companies to perform under or refinance their existing obligations, or impair such Fund's ability to effectively exit its investment on favourable terms. These could, in turn, affect the performance and profitability of investments in such Fund. For instance, the contraction of the high yield bond market or the IPO market may limit the exit strategies available to a Fund with respect to its investments in Portfolio Companies. Any of these factors may lead to an adverse impact on the Fund's investments in such Portfolio Companies which might, in turn, affect the performance of the Fund itself.

***Risks arising from cross-border investments by the Funds***

Cross-border investments could be subject to additional risks which might not otherwise be involved in domestic investments. The value of investments in a country could be materially affected by inflation, currency devaluation, interest rate changes, exchange rate fluctuations, changes in government policies, more volatile or less liquid capital markets, changes or differences in infrastructure and business environments, natural disasters, pandemics (such as the COVID-19 pandemic) or epidemics, armed conflicts, political or social instability, trade tensions and other developments affecting such country.

Investments may be made by the Funds in emerging markets. These investments involve specific risks not associated with more established markets, and include risks attributable to nationalisation, expropriation or confiscatory taxation, currency devaluation, foreign exchange control, social or political instability, military conflict or governmental restrictions.

The Issuer is exposed to foreign currency exchange risk arising from fluctuations of exchange rates of the currencies of the respective jurisdictions that the Funds invests in and the Portfolio Companies operate, the currencies in which its Fund Investments are denominated and the currencies in which the Issuer obtains its funding requirements. The Issuer does not currently hedge its revenues or its Fund Investments (including the distributions from such Fund Investments). The effect of exchange rate fluctuations from such revenues or realisations or distributions arising from its Fund Investments could lead to significant fluctuations in the Issuer's consolidated financial statements upon translation of its results in U.S. Dollars. The Issuer reviews its hedging strategy from time to time and may change its hedging policy in the future.

***Calculation of net asset value of a Fund Investment may not be reliable and there may be valuation risks; actual realised cash flows from the investment of the Funds may differ from General Partners' net asset value indications***

The net asset value of a Fund Investment will be the valuation of such Fund Investment attributable to it from the most recent financial report, statement, document or notice received by the Issuer from the General Partner of the relevant Fund in relation to such Fund Investment. Such report, statement, document or notice may be outdated and may have been superseded by other materials or events, and in certain cases, annual reports issued by the Funds will only be made available to their investors up to 180 days after such Fund's year end. Accordingly, information relating to Funds received by the Issuer may be significantly outdated. In addition, General Partners may not be able reflect changes in the valuation of Portfolio Companies (and consequently, the valuation of a Fund) on a timely basis when valuations change rapidly due to sudden changes in the global macro-economic environment. Such sudden changes in the macro-economic environment could be caused by a myriad of different factors such as the unfolding COVID-19 pandemic. There is generally no obligation on General Partners to report material changes in the value of the underlying portfolio of the Funds on a basis more frequent than quarterly. Investments made by the Funds typically do not have an active trading market and their valuation may reflect the subjective determination by the General Partners.

Given the nature of the Fund Investments, the Fund may rely upon the General Partner for valuation of certain of the Fund's assets, including, without limitation, in connection with the distribution of illiquid securities upon the liquidation of the Fund. Given the nature of the proposed investment entities, valuation may be difficult. There may be a relative scarcity of market comparables on which to base the value of the Fund's assets. As such, any such valuations may be speculative. The market value of unrealised investments will be made in good faith by the General Partner based on a number of factors including the type of security held, marketability, current financial position and operating results and other appropriate information. Actual values, however, cannot be determined until the investments are realised and therefore there may be a material difference in the valuation of an unrealised investment as compared to the value such investment is actually realised for.

In addition, there is no single, uniform technique applied to the valuations reported by the different General Partners because each General Partner performs its own valuation and accordingly the aggregate net asset value of the Fund Investments as determined by the Issuer is derived from the valuations from the different General Partners. While certain limited due diligence has been undertaken in respect of the Fund Investments, no due diligence has been undertaken by the Issuer or any other party in respect of the net asset value of each Fund Investment reported by the relevant General Partners. As the Fund Investments will not be independently valued, the Issuer will rely exclusively on the values reported by the General Partners, even if they are not audited. The values reported by the General Partners may differ significantly from the values that would have been used had a ready market for the Fund Investments existed. Such factors may lead to inconsistency and uncertainty in the determination and accuracy of the net asset value of any Fund Investment and the aggregate net asset value of the Fund Investments more generally.

As a result, the net asset value of a Fund Investment may be substantially different from the amount recoverable in connection with a liquidation of such Fund Investment or the fair market value of the relative share of the investments in the Portfolio Companies held by the Fund in respect of such Fund Investment.

Actual realised returns and cash flows on unrealised investments of a Fund will depend on, among other factors, future operating results, the value of the assets, market conditions at the time of disposition, any related transaction costs, and the timing and manner of sale, all of which may differ from the assumptions and circumstances on which the valuations used by General Partners are based. Accordingly, the actual realised returns and cash flows on these unrealised investments may differ materially from the net asset value indicated by the General Partner of a Fund.

***Drawdowns of capital commitments***

Capital calls will be issued by the General Partner from time to time at the discretion of the General Partner, based upon the General Partner's assessment of the needs and opportunities of a Fund. To satisfy such capital

calls, Limited Partners may need to maintain a substantial portion of their capital commitment in assets that can be readily converted to cash. Except as specifically set forth in the Limited Partnership Agreement for the relevant Fund, each Limited Partner's obligation to satisfy capital calls will be unconditional. A Limited Partner's obligation to satisfy capital calls will not in any manner be contingent upon the performance or prospects of the Fund or upon any assessment thereof provided by the General Partner. Capital calls may not provide all of the information a Limited Partner desires in a particular circumstance, and such information may not be made available and will not be a condition precedent for a Limited Partner to meet its funding obligation. Additionally, and notwithstanding the foregoing, the General Partner will not be obligated to call all of Limited Partner's capital commitment during the Fund's term. The fees, costs and expenses incurred by Limited Partners in fulfilling a capital call (whether it is bank fees, wire fees, value-added tax or other applicable charge imposed on a Limited Partner) will be borne solely by such Limited Partner and will be in addition to the amounts required by capital calls (and will not be part of or otherwise reduce their capital commitments and/or uncalled capital commitments, as applicable).

***The Issuer may be subject to substantial penalties for failures to satisfy capital calls***

The Issuer may be subject to penalties for failure to satisfy capital calls pursuant to their undrawn capital commitments in relation to the Funds, and such penalties may be severe. There is typically a short grace period during which interest accrues on the unpaid amount. If the default continues beyond the grace period, the Issuer may become subject to severe sanctions, including (without limitation) termination of its right to participate in future investments by the relevant Fund, loss of its entitlement to distributions or income but not its liability for losses or partnership expenses, loss of voting rights, mandatory transfer or sale of its Fund Investment at a discount, continuing liability for interest in respect of the defaulted amount, partial or total forfeiture or redemption of its Fund Investment and liability for any other rights and remedies (including legal remedies) the General Partner may have against it. Certain of the Funds give the General Partner the right to proceed directly to forfeiture proceedings following notice and continuation of default by the Issuer, in which case Fund Investments owned by the Issuer (as a defaulting investor) in the Fund would generally become assets of the partnership and be divided among the General Partner and the remaining investors in the Fund. Such forfeiture of the Investor's investment in that Fund would lead to a decrease of the aggregate net asset value of the Fund Investments.

Any failure to meet any capital call may have a material adverse effect on such Fund Investment and on the Issuer's ability to make payments on the Securities.

For completeness, the limited partnership agreements of the Fund Investments usually provide that to the maximum extent permitted under the laws which apply to each relevant Fund Investment, the liability of the Issuer, as Limited Partner holding the relevant Fund Investment, is limited to the amount of its capital commitment to the Fund Investment. The amount paid in by Limited Partners will be used by the General Partner in accordance with the purposes permitted under the applicable limited partnership agreement, including to discharge debts and liabilities of the partnership (but, for the avoidance of doubt, subject to the limitation described in the preceding sentence).

***Failure to make capital contributions by Limited Partners may adversely affect the Fund Investments; the Issuer may be required to make additional capital contributions in the event of default by other Limited Partners to meet such capital contributions and may also be subject to sanctions for failure to meet such additional capital contribution obligations***

If any Limited Partner fails to fund its capital commitment or make required capital contributions when due, the Fund's ability to complete its investment programme or otherwise continue operations may be substantially impaired. A default by a number of Limited Partners could leave the Fund with insufficient capital, which would limit opportunities for investment diversification and likely reduce returns to the Fund. Any Limited Partner that defaults in making a required capital contribution will be subject to certain adverse consequences pursuant to the provisions of the Partnership Agreement.

Upon the failure by an investor in a Fund to meet a capital call in respect of such Fund, the General Partner usually has the right to require the non-defaulting investors in the venture capital fund, including the Issuer (where it is not a defaulting investor), to make additional capital contributions on a pro-rata basis to make up the amount not paid by the defaulting investor. This would result in the non-defaulting investors, including the Issuer, contributing a larger share of their capital to a particular investment than they otherwise would have. However, it is also usually provided that such additional capital contributions will not individually exceed the non-defaulting investor's then undrawn capital commitment or in the aggregate increase the capital commitment of the non-defaulting investor. If the Issuer fails to meet such additional capital contribution obligations, it could be subject to sanctions.

***The Issuer may be subject to indemnity obligations, and may be subject to substantial penalties for failures to satisfy such indemnity obligations***

Investors in a Fund are typically required under the terms of the governing documents of the venture capital fund to indemnify the General Partner and its affiliates and their directors, officers, employees, advisers and agents, in respect of specified or general liabilities incurred in connection with the business of the venture capital fund or as a result of those individuals or entities acting in the relevant capacity. Although such liabilities would be generally payable from insurance (if available) and the assets of such venture capital fund, if such insurance and assets are insufficient, the General Partner may draw on the undrawn capital commitments of, or recall distributions previously made to, such investors in the venture capital fund. These actions could expose investors in such venture capital fund to claims for indemnification. Such indemnities are sometimes limited to all or a portion of each investor's (or limited partner's) total capital commitment or to distributions from the venture capital fund, but some may have no limit. Prospective holders of the Securities should be aware of the risk that claims under such indemnities could result in the loss in whole or in part of the Issuer's Fund Investment in any Fund.

If the Issuer fails to meet such indemnity obligations, it could be subject to sanctions. Any failure by the Issuer to meet any such indemnity obligations with respect to a Fund Investment may have a material adverse effect on such Fund Investment, and in turn, on the Issuer's ability to make payments on the Securities.

***The Issuer may be liable for returns or "claw backs" of certain distributions from the Funds***

The amount and timing of distributions will be at the sole discretion of the General Partner, who may also direct that proceeds be used to satisfy, or establish reserves for, the Fund's current or anticipated obligations (including, without limitation, any fund expenses as well as obligations relating to additional investments). These determinations of the General Partner shall be conclusive and binding upon the Limited Partners. In addition, certain distributions may be recalled by the General Partner including to satisfy the liabilities of the Fund and, to the extent such recalled or retained amounts are reinvested in investments, each Limited Partner will remain subject to investment risks and other risks associated with such investments.

The Issuer, as an investor in the Funds may be required to return cash distributions previously received by them to the extent such distributions are deemed to be recallable or deemed to have been wrongfully paid to them. An example of a recallable distribution is where an investment is realised and distributed within a specified period, certain General Partners may have the right to re-cycle such distribution for future investments within the specified investment period.

In light of the effect that the unfolding COVID-19 pandemic has on global economies, it is possible that a General Partner may exercise the right to recall such distributions more frequently during such pandemic in order to strengthen the liquidity position of certain Portfolio Companies. If this occurs and the Issuer fails to meet such obligations, it would be subject to sanctions similar to the sanctions described under "*Risk Factors — the Issuer may be subject to substantial penalties for failures to satisfy capital calls*" above. Any failure by the Issuer to meet any such obligations with respect to a Fund Investment may have a material adverse effect on such Fund Investment and on the Issuer's ability to make payments on the Securities.

***The Issuer may receive from Fund Investments securities or other property in lieu of cash***

The Funds may distribute assets-in-kind, including (without limitation) securities or other property, to their investors in lieu of cash. Such distributions-in-kind may be restricted securities that are highly illiquid and the liquidation proceeds thereof may be significantly less than the amount of cash which would have been distributed instead of such securities. There can be no assurance that the Issuer will be able to dispose of these investments or that the value of these securities will be realised. In the event that the Issuer attempts to dispose of such securities or other investments, there may be substantial delays and costs (such as selling commissions, brokerage and legal documentation costs) associated with such dispositions and the amounts of cash which may be realised may be diminished, any of which may have a materially adverse effect on the Issuer's ability to meet its obligations on the Securities.

***As a Limited Partner, the Issuer will have no rights to participate in the management of the Network Funds or the Portfolio Companies***

The General Partners generally have control over the management and operations of the venture capital funds (including, without limitation, evaluation of the relevant economic and financial information regarding the structuring, acquisition, monitoring and disposition of the investments in the Portfolio Companies held by the venture capital funds) and the investors in the venture capital funds, such as the Issuer, have limited (if any)

rights to replace the General Partners. The Issuer, as owner of Fund Investments, will not have the right to control, or participate in the management or operations of, the Funds or the unilateral right to replace the General Partners. The Issuer, as owner of Fund Investments, will have only a limited ability to monitor the investments made by the Funds, whether any Fund has engaged in additional or alternative strategies without consent or advice of any other person or whether the investment strategies and guidelines of the Funds are adhered to.

Under certain circumstances, the Issuer, as owner of a Fund Investment, will have the right or obligation to vote on certain matters affecting the related Fund as part of the investors (or an affected class thereof) in the Fund. In casting such vote, the instructions of the Issuer's authorised representative (as long as it remains appointed) on the casting of such vote on behalf of the Issuer will be followed. Such casting of vote could result in adverse consequences to the Funds, the Issuer and ultimately, the Issuer or the holders of the Securities. The Issuer and ultimately, the holders of the Securities must depend solely on the ability of the relevant General Partners to operate the businesses of the Funds and to manage the investments in the Portfolio Companies held by the Funds.

***Certain Funds may co-invest or have joint ventures with third parties, which may involve additional risks***

Certain Funds may co-invest with financial, strategic or other third-party through partnerships, joint ventures or other entities, thereby acquiring non-controlling interests in certain investments. In such instances, the Fund may have no or reduced control over these companies and, therefore, may have a limited ability to protect its position therein. Such investments may involve risks not present in investments where a third party is not involved, including the possibility that a third party partner or investor may have financial difficulties resulting in a negative impact on such investment, may have economic or business interests or goals which are inconsistent with that of such venture capital fund, or may be in a position to take (or block) action contrary to such venture capital fund's investment objectives. In addition, such venture capital fund may in certain circumstances be liable for the actions of its third party partners or co-venturers. Such Funds (alone, or together with other investors) may be deemed to have a control position with respect to some Portfolio Companies which could expose it to liabilities not normally associated with minority equity investments, such as additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations and other types of liability in which the limited liability generally characteristic of business operations may be ignored. Investments made with third parties in joint ventures or other entities may involve fees payable to such third-party partners or co-investors. The objectives, priorities and strategies of such third parties and the Funds may differ and the Issuer may not realise the full value of, and/or may suffer losses in relation to its Fund Investments in such Funds.

***There may be conflicts of interest involving General Partners or their affiliates***

A General Partner of the Funds or its affiliates may engage in other forms of related and unrelated activities in addition to advising the venture capital fund managed by such General Partner or its affiliates, including without limitation, a broad range of investment banking, advisory, and other services (both now or in the future). Affiliates of the General Partner may represent potential purchasers, sellers, and other involved parties, including corporations, financial buyers, management, shareholders, and institutions, with respect to transactions that could give rise to investments that are suitable for the venture capital fund. The affiliate of the General Partner may have to act exclusively on behalf of its client and will have no obligation to decline such engagements or make any investment opportunity available to the venture capital fund, thereby precluding the venture capital fund from participating in such transactions. During the course of their engagement of activities unrelated to the management of the venture capital fund or representation of other clients as described above, the General Partner or its affiliates may come into possession of information that limits the ability of the venture capital fund to engage in potential transactions.

A General Partner or its affiliates may also make investments in securities for its own account, some of which may be investments held by the venture capital fund managed by such General Partner or its affiliates or eligible for purchase by the venture capital fund but which are not in fact acquired by the venture capital fund, or provide investment management services to other accounts or collective investment vehicles and may make investments that are similar or contrary to investments made by the venture capital fund. In addition, such General Partner or its affiliates may maintain positions in the types of securities described above in such General Partner's or its affiliates' own account that were acquired by the General Partner or its affiliates prior to the existence of the venture capital fund. Activities such as these could influence such General Partner's or its affiliates' investment decisions or detract from the time such General Partner or its affiliates devotes to the affairs of the venture capital fund. In addition, such General Partner or its affiliates may seek to engage affiliated entities to furnish brokerage services to the venture capital fund, or may itself provide market making services, including those of counterparty in stock and over-the-counter transactions. As a result, in such instance the choice of broker, market maker or counterparty and the level of commissions or other fees paid for such services (including the size of any

mark-up imposed by a counterparty) may not have been made at arm's length. As a result, there may be a conflict between the General Partner and its affiliates acting in the best interests of the Fund that it manages and acting in their own interests, which may affect the performance of the Issuer's Fund Investments in the Fund.

***Performance-based, including from “carried interest”, compensation induces additional risks***

A venture capital fund (including a Fund) typically provides for a performance fee or allocation (also known as “*carried interest*”) to its General Partner in addition to a basic management fee. Carried interest could create an incentive for a General Partner to choose riskier or more speculative underlying investments than would otherwise be the case. Similarly, the General Partner may be allocated a profit share, which may create an incentive for the General Partner to allocate assets utilising more speculative strategies than would otherwise be the case.

There may be circumstances, as specified in the relevant Limited Partnership Agreement, under which any “carried interest” previously paid to the General Partner of Fund may be “clawed back” from such General Partner and the General Partner would typically be required to reimburse the Fund for such excess amount, but there can be no assurance that a General Partner will be able to satisfy such reimbursement obligations. In turn, this may have an impact on the ability of the Issuer to realise the full value of its Fund Investments.

***Increased government or market regulation or intervention, including in the form of legal and regulatory changes, could affect investments in the Funds***

Market disruptions and the dramatic increase in the capital allocated to alternative investment strategies during recent years have led to increased governmental as well as self-regulatory scrutiny of the venture capital industry in general. It is impossible to predict what, if any, changes in the regulations applicable to venture capital funds, General Partners, the markets in which they trade and invest or the counterparties with which they do business may be instituted in the future. Any such regulation could have a material adverse impact on the venture capital funds, General Partners and the investors in the venture capital funds (including the Issuer as owner of Fund Investments) as well as require increased transparency as to the identity of the investors in venture capital funds.

In recent years, the global financial markets have undergone disruptions which have led to certain governmental intervention. Such intervention has in certain cases been implemented on an “emergency” basis, suddenly and substantially eliminating market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition, these interventions have typically been unclear in scope and application, resulting in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of the markets as well as previously successful investment strategies. It is impossible to predict what additional interim or permanent governmental restrictions may be imposed on the markets or the effect of such restrictions on each Fund's strategies.

Government counterparties or agencies may have the discretion to change or increase regulation of an investment's operations, or implement laws or regulations affecting the investment's operations. A Portfolio Company could also be materially and adversely affected as a result of statutory or regulatory changes or judicial or administrative interpretations of existing laws and regulations that impose more comprehensive or stringent requirements on such company. Governments have considerable discretion in implementing regulations, including, for example, the possible imposition or increase of taxes on income earned by a Portfolio Company or gains recognised by the Fund on its investment in such Portfolio Company, that could impact a Portfolio Company's business as well as the fund's return on investment with respect to such Portfolio Company.

A Fund's ability to achieve its investment objectives, as well as the ability of the Fund to conduct its operations, is based on laws and regulations which are subject to change through legislative, judicial, or administrative action. Future legislative, judicial, or administrative action could adversely affect the Fund's ability to achieve its investment objectives, as well as the ability of the Fund to conduct its operations.

***The Fund Investments may result in exposure to litigation and enforcement risk***

The Fund Investments may result in the Issuer, as an investor in the Funds, being exposed to litigation and enforcement risks. For example, such Funds might accumulate substantial positions in the securities of a specific company and engage in a proxy fight, become involved in litigation, or attempt to gain control of a company. Under such circumstances involving a Fund, the Issuer conceivably could be named as a defendant in a lawsuit or regulatory action.

There have been a number of widely reported instances of violations of securities laws through the misuse of confidential information. Such violations may result in substantial liabilities for damages caused to others, for the disgorgement of profits realised, and for penalties. It may be possible that a Fund may be charged with

involvement in such violations. If a Fund engaged in such violations, the Issuer could be exposed to losses which may, in turn, adversely impact the cash flows available to the Issuer for payments to the Securityholders.

A Fund may be subject to a variety of litigation risks, particularly if one or more of its Portfolio Companies face financial or other difficulties during the term of the Fund. Legal disputes, whether initiated by the Fund, the General Partner or their affiliates or some other parties, involving the Fund, the General Partner or their respective affiliates may arise in connection with any actual or potential investments, any of the foregoing activities and any other activities relating to the operation of the Fund, the General Partner or their affiliates and could have a significant adverse effect on the Fund.

If representatives of the Fund are appointed to serve as directors of Portfolio Companies, or other forms of influence on Portfolio Companies are exerted, it is possible that the Fund could be exposed to claims by a Portfolio Company, its security holders, its creditors and third parties, including claims that the Fund is a controlling person and thus is liable for violations by a Portfolio Company of applicable laws, including securities laws. These measures could also result in liabilities in the event of the bankruptcy or reorganisation of a Portfolio Company, claims against the Fund if the designated directors violate their fiduciary or other duties to a Portfolio Company or fail to exercise appropriate levels of care under applicable corporate or securities laws, environmental laws or other legal principles. While the General Partner intends to manage the Fund in a way that will minimise the exposure to these risks, the possibility of claims cannot be precluded.

Litigation can and does occur in the ordinary course of the management of an investment portfolio. The Fund may be engaged in litigation both as a claimant/plaintiff and as a defendant. This risk is somewhat greater where the Fund exercises control or significant influence over an investment entity's direction, including as a result of board participation. Such litigation can arise as a result of issuer default, issuer bankruptcies and/or other reasons. In certain cases, such issuers may bring claims and/or counterclaims against the Fund, the General Partner and/or their respective principals and affiliates alleging violations of securities laws and other typical issuer claims and counterclaims seeking significant damages. The expense of defending against claims made against the Fund by third-parties and paying any amounts pursuant to settlements or judgments would be borne by the Fund to the extent that (i) the Fund has not been able to protect itself through indemnification or other rights against the investment entity, (ii) the Fund is not entitled to such protections or (iii) the investment entity is not solvent. The General Partner and/or their respective principals and affiliates may be indemnified by the Fund in connection with such litigation, subject to certain conditions, which may result in the diminishment of the value of the Funds and, consequently, the Fund Investments

***The Network Funds may not conduct themselves as expected***

As an investor in the Fund Investments, the Issuer does not have control over the Network Funds and consequently it does not have control over the assets or investments of such Funds. A Fund could divert assets, fail to follow agreed upon investment strategies, provide false reports of operations, or engage in other misconduct, resulting in losses to the Issuer which may, in turn, adversely impact the cash flows available to the Issuer for payments to the Securityholders.

***The investment strategies of the Funds may not be successful***

There can be no assurance that the investment strategies employed by the Funds will be successful or that their investment objectives will be achieved. Past performance of a General Partner or a venture capital fund is not predictive of future performance.

***The Funds may be exposed to risks relating to fraud***

Instances of fraud and other deceptive practices committed by senior management of General Partners or the Portfolio Companies may undermine the operations or performance of venture capital funds (including the Funds) or their Portfolio Companies, and may adversely affect the valuation of the Fund Investment in such Fund, which may in turn adversely impact the cash flows available to the Issuer for payments to the Securityholders.

***Financial reporting relating to investments by the Funds in certain countries may change or be different from financial reporting standards or generally accepted accounting principles in Singapore or elsewhere***

The disclosure, accounting, auditing and reporting standards in certain of the countries in which the investments by venture capital funds (including the Funds) are made may change from time to time or may be less stringent and not provide the same level of protection or information to investors as would generally apply in Singapore and other countries with similar financial systems and/or may not correspond to the level to which investors are

accustomed to receiving. For example, the assets and liabilities and profits and losses appearing in published financial statements of the Portfolio Companies in such countries may not reflect their financial position or results of operations in the way they would be reflected had such financial statements been prepared in accordance with generally accepted accounting principles in Singapore or other countries with similar reporting standards. Accordingly, the value of any investment in a Portfolio Company may be less than what is implied by financial or other statements prepared or published by such Portfolio Company or the venture capital fund. In addition, a Portfolio Company in such countries may not generally maintain internal management accounts or adopt financial budgeting or internal audit procedures to standards normally expected of companies in Singapore or other countries with similar financial systems and, accordingly, information supplied to the Fund which may, in turn, be provided to the Issuer (as owner of Fund Investments) may be incomplete, inaccurate and subject to significant delay in being produced. The occurrence of any of the above may result in the value of the investment in the Portfolio Companies, as reflected in the financial statements of the Funds to be over or misstated. In turn, this may result in the value of the Fund Investment in the financial statements of the Issuer to be over or misstated.

***The Fund Investments may give rise to a variety of tax considerations in jurisdictions in which the Funds are resident or invest***

The Fund Investments may give rise to a variety of tax considerations in jurisdictions in which the Funds are resident or invest. Many of these considerations will depend on activities of the Funds themselves, and thus may not be known to or within the control of the Issuer. For example, if the event that any of the Funds in which the Issuer holds Fund Investments is engaged in, or deemed to be engaged in, a trade or business within the United States, the Fund may be considered by the United States tax authorities to be generating income or gain that is effectively connected with the conduct of trade or business in the United States. This could result in the Issuer being subject to US withholding tax on any distributions that it receives in relation to such Fund Investments.

Any unexpected tax liabilities which may arise upon the disposal by a Fund of its investment in a Portfolio Company and/or the receipt by the Issuer of distributions from the Issuer's Fund Investments could result in additional tax liabilities to the Fund and/or the Issuer. This could have an adverse effect on the value of and/or distributions from the Issuer's Fund Investments.

***The Issuer and, accordingly, the Securityholders may receive limited disclosure concerning the Funds and the underlying Portfolio Companies and such information may not be up-to-date***

Venture capital funds such as the Funds usually disclose only limited information concerning such Funds, its underlying Portfolio Companies, its business and its financial affairs to its investors, such as the Issuer, and typically requires its investors to keep such information confidential. Given the limited nature of available information as well as the confidentiality obligations imposed on the Issuer, holders of Securities will not have access to full information relating to any Fund or any of its Portfolio Companies. The Issuer may be in possession of financial and other information concerning a Fund that it is not permitted to disclose to the holders of Securities, some of which could potentially relate to a decline in returns or cash flows from that Fund. Accordingly, the Securityholders may not receive any confidential information regarding, or any notices or related documents in respect of, any particular Fund Investment, the Fund or any of its Portfolio Companies. In addition, the Securityholders should take note that the historical information relating to the Fund Investments will be out-of-date as changes occur to the Fund Investments after the reference date used in that section.

***Highly competitive market for investment opportunities available to the Funds***

The success of each Fund depends, in large part, on the availability of a sufficient number of investment opportunities that fall within each Fund's investment objectives and the ability of the General Partner of the Fund to identify, negotiate, close, manage and exit those investment opportunities. The activity of identifying, completing and realising attractive venture capital investments is highly competitive and involves a high degree of uncertainty, especially with respect to timing. There can be no assurance that the General Partner of the Fund will be able to locate and complete investments which enable each the Fund to invest all of its committed capital in opportunities that satisfy the Fund's investment objectives or realise the value of these investments. Each Fund will compete for the right to make investments with an ever increasing number of other parties, including other private investment funds as well as individuals, financial institutions and other institutions, some of which may have greater resources than such Fund. In addition, private investment funds with similar investment objectives may be formed in the future which may compete for investment opportunities. As a result of such competition, a Fund may have difficulty in making certain investments or, alternatively, a Fund may be required to make investments on economic terms less favourable than anticipated. If a Fund fails to make new investments or makes investments on less favourable terms, the Fund's financial condition and results of operations could be materially and adversely affected.

### ***The Funds may be subject to currency and exchange rate risks***

Some of a Fund's investments, and the income received by the Fund with respect to such investments, may be denominated in currencies other than U.S. Dollars. However, the books of the Fund will be maintained, and capital contributions to and distributions from the Fund will be made, in U.S. Dollars. Accordingly, changes in currency exchange rates, costs of conversion and exchange control regulations may adversely affect the dollar value of investments, interest and dividends received by the Fund, gains and losses realised on the sale of investments and the amount of distributions, if any, to be made by the Fund. In addition, certain countries in emerging markets (such as China, Southeast Asia and India) in which the Fund may invest have implemented or may implement strict controls on foreign exchange which may result in artificially pegged exchange rates that may distort the results of and returns on investments in such countries. Moreover, the Fund will incur costs or experience substantial delays when, or be prohibited from, converting one currency into another.

A Fund may also experience gains or losses attributable solely, or in large part, to favourable or unfavourable movements in exchange rates as of any date of valuation or realisation of an investment, regardless of the relative performance of the relevant Portfolio Company.

### ***The Funds or the Portfolio Companies may engage in hedging transactions***

A Fund or a Portfolio Company may utilise financial instruments such as forward contracts, options, swaps, caps, collars, floors and other derivatives to seek to hedge against fluctuations in the relative values of their assets as a result of changes in currency exchange rates, market interest rates and public security prices. While these transactions may reduce certain risks, the transactions themselves entail certain other risks. Hedging against a decline in the value of an investment does not eliminate fluctuations in the value of such investments or prevent losses if the value of such investments declines, but instead establishes other positions designed to gain from those same developments, thus offsetting the decline in such investment's value. These types of hedge transactions also limit the opportunity for gain if the value of such investment should increase.

The success of hedging transactions will be subject to the ability to correctly predict movements in and the direction of, currency exchange rates, interest rates and public security prices. Therefore, while a Fund or a Portfolio Company may enter into hedging transactions to seek to reduce these risks, unanticipated changes in currency exchange rates, interest rates or public security prices may result in a poorer overall performance for the Fund than if it had not engaged in any hedging transaction. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements of the investments being hedged may vary. Moreover, for a variety of reasons, the Fund or a Portfolio Company may not have established a perfect correlation between hedging instruments and the investments being hedged. This imperfect correlation may prevent the Fund, or a Portfolio Company, as applicable, from achieving the intended hedge or expose it to risk of loss.

In addition, there is no limit on the exposure that may be incurred to any single counterparty with over-the-counter derivative instruments, exchange listed securities, options, repurchase agreements or other similar transactions and, as a result, if any such counterparty becomes unable to pay amounts due on such instruments or transactions, the financial losses to a Fund would be greater than if such limits were imposed.

While the General Partner may cause the Fund to enter into hedging transactions designed to reduce such currency risks, there can be no assurance that any such transactions would achieve their intended results. Further, such hedging transactions could result in diminished returns (or increased losses on capital) to the extent overall returns are less than the Fund's costs or losses associated with such hedging transactions. The Fund is not obligated to engage in any currency hedging operations and there can be no assurance as to the success of any hedging operations the Fund may implement.

### **Risks associated with a Fund's investment strategy**

#### ***The Funds generally invest in early stage or potential high growth private entities***

A Fund will generally invest in securities in potential high growth private entities (including those made indirectly through investments in other funds) with business activities primarily within the Fund's geographical mandates. These venture capital investments to be made by the Fund involve a high degree of business and financial risk. The Fund may invest in early stage Portfolio Companies which have little or no operating history, unproven technology, untested management and unknown future capital requirements. These companies often face intense competition, often from established companies with much greater financial and technical resources, more marketing and service capabilities, and a greater number of qualified personnel. Such risks may adversely affect the performance of such investments and result in substantial losses. To the extent there is a public market for the securities of these companies, they may be subject to abrupt and erratic market price movements. The

Fund's investments in companies of this type are highly speculative and may result in the loss of the Fund's entire investment or a loss of all of the capital contributions of the Fund's Limited Partners. There can be no assurance that any such losses will be offset by gains (if any) realised in other investments of the Fund. The securities in which the Fund will invest may be among the most junior in a Portfolio Company's capital structure, and thus be subject to the greatest risk of exposure.

***The Funds generally invests in rapidly changing high technology fields***

Each Fund generally invests in securities of companies in rapidly changing high-technology fields. The technology industry is characterised by rapid changes, evidenced by rapidly changing market conditions and participants, new competing products and improvements in existing products. Accordingly, technology companies may face special risks of product obsolescence. There can be no assurance that products sold by the Fund's Portfolio Companies will not be rendered obsolete or adversely affected by other challenges inherent in the sector.

***The Funds may use subscription line financing***

From time-to-time, the General Partner may apply subscription line facilities for a variety of reasons, including to potentially enhance the return profile of certain investments (the collateral for which can be the uncalled capital commitments of the Limited Partners, the General Partner's right to call capital and the Fund's bank accounts (also known as subscription lines)). For administrative convenience, drawdowns, including those used to pay interest on subscription lines, asset-backed facilities and other indebtedness, may be "batched" together into larger, less frequent capital calls (although actual timing and amounts may vary), with the Fund's interim capital needs being satisfied by the Fund's borrowing money from such credit facilities. The interest expense and other costs of any such borrowings will be Fund expenses and, accordingly, may decrease net returns of the Fund. It is expected that interest will accrue on any such outstanding borrowings at a rate lower than the preferred return (with the preferred return beginning to accrue when capital contributions to repay borrowings used to fund such investments are actually made to the Fund). In light of the foregoing, the General Partner may have an incentive to fund the acquisition and ongoing capital needs of investments and the Fund with the proceeds of such borrowings in lieu of drawing down capital commitments on a just-in-time basis, and, accordingly, advances to repay such borrowings may be required only at the time of disposition of the investments. In addition, the batching of capital calls may amplify the magnitude of potential defaults by Limited Partners as a result of there being fewer but larger capital calls. To the extent a subscription facility is due upon demand by a lender, such a demand may be issued at an inopportune time at which liquidity is generally constrained, potentially resulting in greater defaults as a result of liquidity constraints on Limited Partners and/or in Limited Partners facing similar capital calls in multiple funds and being unable to satisfy all such demands simultaneously. Finally, the existence of a subscription facility may impair a Limited Partner's ability to transfer its interest in the Fund as a result of restrictions imposed on such transfers by the lender.

***The Funds may guarantee the obligations of Portfolio Companies and/or affiliates of the Fund***

The Funds may guarantee the obligations of investments and/or affiliates of the Fund. As a result, if any such investment or affiliate defaults on its obligations, the Fund will be required to satisfy such obligation. In order to do so, the Fund may call capital, recall distributions or liquidate some or all of the investments prematurely at potentially significant discounts to fair value.

***The Funds may provide bridge financings to Portfolio Companies***

From time to time, the Funds may provide interim financing to Portfolio Companies in order to facilitate an investment. However, for reasons not always in the Fund's control, such financings may remain outstanding if, for example, contractual long-term securities issuances or other re-financings or syndications do not occur. In such event, the terms of such financings may not adequately reflect the risk associated with the position taken by the Fund.

***The Funds generally invest in equity securities or convertible equity securities which are exposed to higher risks than investments in debt securities***

The Funds generally invest in common and preferred equity securities as well as convertible equity securities. Equity securities generally involve a high degree of risk and will be subordinate to the debt securities and other indebtedness of the issuers of such equity securities. Prices of equity securities generally fluctuate more than prices of debt securities and are more likely to be affected by poor economic or market conditions. In some cases, the issuers of such equity securities may be highly leveraged or subject to other risks such as limited product

lines, markets or financial resources. In addition, actual and perceived accounting irregularities may cause dramatic price declines in the equity securities of companies reporting such irregularities or that are rumoured to be subject to accounting irregularities. The Funds may experience a substantial or complete loss on individual equity securities.

***The Funds may invest in junior, unsecured, securities***

The Fund may invest in debt securities that may be unsecured and subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured. In the event of bankruptcy or liquidation of an issuer of such securities, there may not be enough proceeds to repay the holders of such securities following repayment to the holders of senior indebtedness. In addition, such securities may not be protected by financial covenants or limitations upon additional indebtedness, thereby providing less control over the investment, and may have limited liquidity.

***The Portfolio Companies may require additional financing, which may dilute the Fund Investments***

Venture capital investments often require several rounds of venture capital infusions before the Portfolio Company reaches maturity. If a venture capital investor, such as a Fund, does not have funds available to participate in subsequent rounds of financing, that shortfall may have a significant negative impact on both the Portfolio Company and the face value of the Fund's original investment. The amount of additional financing needed will depend upon the maturity and objects of the particular company. Each round of financing (whether from the Fund or other investors) is typically intended to provide a Portfolio Company with enough capital to reach the next major valuation milestone.

Some investments by Funds with early-stage venture capital strategy and which are not participating in follow-on round of financing by the Portfolio Company may be among the most junior securities in that Portfolio Company's capital structure, and thus subject to the greatest risk of loss. Generally, such investments in Portfolio Companies will not be secured by collateral.

The Funds may make additional debt and equity investments or exercise warrants, options or convertible securities that were acquired in the initial investment in such company in order to preserve the Fund's investment when such Portfolio Company's performance does not meet expectations. Although it will be the Fund's policy to maintain sufficient liquidity to allow it to participate in follow-on rounds of financing, the Fund does not intend to provide all necessary follow-on financing. Accordingly, third party sources of financing will be required. There is no assurance that such additional sources of financing will be available, or if available will be on terms beneficial to the Fund. Furthermore, if the Fund is unwilling or unable to invest in a subsequent round of financing in a Portfolio Company, it is possible that the terms of such investment could be highly dilutive to the Fund's prior investment in such Portfolio Company. Moreover, if the funds provided are not sufficient, a Portfolio Company may have to raise additional capital at a price unfavourable to the existing investors, including the Fund.

***The Funds may face difficulty in identifying suitable and viable investments and may not be able to achieve full investment during the investment periods of the Funds***

There can be no assurance that available attractive investments of the type in which a Fund may invest will continue to be available for the Fund's investment activities, that available investments will meet the Fund's investment criteria, or that if such investments are made, the objectives of the Fund will be achieved. The Fund may be unable to find a sufficient number of attractive opportunities to meet its investment objectives or to generate returns for its Limited Partners, including the Issuer. As a result, the Fund may participate in only a limited number of investments and/or in a limited number of industries or industry segments. As a result, the Fund's investment portfolio could become highly concentrated and the poor performance of one or more investments could substantially adversely affect the Fund's aggregate return. None of any Fund's investments have been nor can be identified with certainty. Limited Partners, therefore, will be relying on the ability of the General Partner to select the investments to be made.

Furthermore, there is no guarantee that the Fund will be able to achieve full investment during its investment period and, accordingly, the Fund may only make a limited number of investments. As a result, the Fund's portfolio could become highly concentrated and the poor performance of one or more investments may substantially adversely affect the Fund's aggregate returns. Furthermore, given that the management fee payable by each Limited Partner will be calculated by reference to its capital commitments and not by reference to invested capital, the payment of the management fee will have a greater impact on the return to Limited Partners in circumstances where a limited amount of the Fund is invested than would otherwise be the case if a greater amount of the Fund were invested.

***The Funds may be subject to concentration risks due to lack of diversification***

As a result of the factors described above and elsewhere herein, the Fund could potentially end up with relatively few investments. In addition, because of the time it may take to source appropriate investments, the Fund's investment portfolio may not initially be diversified. Consequently, the value of the Issuer's Fund Investments may be substantially adversely affected by the unfavourable performance of even a single investment. Furthermore, subject to the applicable investment restrictions, the Fund's investments may to a large degree focus on or relate to a single country, thereby increasing the risk that adverse economic developments in the targeted country will adversely impact the aggregate returns of the Fund. As a Limited Partner, the Issuer has no assurance as to the degree of diversification of the Fund's investments, either by geographic region, asset type or sector.

Due to the possibility that the General Partner could use an opportunistic approach to investing, this may result in the Fund's investments being concentrated in a particular Portfolio Company, industry, security, structure or geographic region. The Fund's investments will become more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto. These risks may be further pronounced in cases where an investment is secured by a relatively small or less diverse pool of underlying assets. Certain geographic regions and/or industries may be more adversely affected from economic pressures when compared to other geographic regions and/or industries. Furthermore, to the extent that the Fund's total fund size is less than the targeted amount, the Fund may invest in fewer Portfolio Companies and would therefore be less diversified. Any such non-diversification would increase the risk of loss to the Fund if there was a decline in the market value of any security or sector in which the Fund had invested a large percentage of its assets. Investment in a non-diversified fund will generally entail greater risks than investments in a diversified fund. The occurrence of any of the above may have a material adverse impact on value of the Issuer's Fund Investments.

***The Funds may not be able to realise their investments or implement their investment objectives or strategies***

The Fund may be unable to realise its investment objectives by the sale and other disposition of investments at attractive prices or may otherwise be unable to implement or complete an exit strategy from certain Portfolio Companies because of factors including market conditions, national or international political, economic or monetary crises or otherwise. In addition, the value of certain investments may decline for reasons outside of the control of the Fund, the General Partner, the Issuer Ventures Group, including changes in the market or legal or regulatory environment applicable to a Portfolio Company's products, services or sources of supply, scientific or technological changes, the availability of additional capital and other analogous events. In connection with the disposition of an investment in a Portfolio Company, the Fund may be required to make representations about, and warranties concerning, the business and financial affairs of the Portfolio Company. It may also be required to give indemnities to purchasers of such investment. To the extent that any such representations and warranties are inaccurate or are otherwise breached, these arrangements may result in contingent or actual liabilities for which the General Partner may establish reserves or escrow accounts, and additionally, which might ultimately have to be funded by the Limited Partners to the extent that the Limited Partners have uncalled capital commitments available for drawdown by the General Partner or out of assets of the Fund.

***The Funds may have to hold investments longer than the term of the Fund***

A Fund may invest in investments that, due to various reasons, may not be capable of an advantageous disposition prior to the date the Fund is required to be dissolved, either by the expiration of the Fund's term or otherwise. Although the General Partner expects that investments will either be disposed of prior to dissolution or be suitable for in-kind distribution at dissolution, the Fund may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution, or retain or hold such investment during dissolution for an extended period of time, which will result in management fees being payable during such period. Further, investments distributed in-kind may be illiquid and there can be no assurance that any Limited Partner will be able to dispose of them at the value determined in accordance with the Partnership Agreement.

***The Funds may be subject to early termination***

In the event of early termination of the Fund, the General Partner would be required to distribute to each Limited Partner (including the Issuer) its pro rata interest in the assets of the Fund. At the time of such termination and/or distribution, certain or all investments held by the Fund might be worth less than the initial cost of such investments, which will result in a loss to the Limited Partners (including the Issuer).

***The Funds may have recourse to the assets of the Funds to meet liabilities and obligations***

The Fund's assets, including any investments made by the Fund and any funds held by the Fund, are available to satisfy all liabilities and other obligations of the Fund. If the Fund becomes subject to a liability, parties seeking

to have the liability satisfied may have recourse to the Fund's assets generally and may not be limited to any particular asset, such as the asset representing the investment giving rise to the liability. Accordingly, Limited Partners could find their interests in the Fund's assets materially and adversely affected by a liability arising out of an investment in which they did not participate because, for example, they were excluded or excused by the General Partner.

***The Funds may be subject to information asymmetry when making investments***

The General Partner and the Captive Manager, as the case may be, will make investment decisions based on information and data made directly available to the General Partner by a Portfolio Company (or its management) or through sources other than the Portfolio Company subject to investment in addition to filings with regulatory agencies, as appropriate. Although the General Partner, the Captive Manager and their respective affiliates will evaluate all such information and data and may seek independent confirmation when deemed appropriate and when such confirmation is reasonably commercially available, neither the General Partner, the Captive Manager nor any of their affiliates will generally be in a position to confirm the completeness, genuineness or accuracy of such information or data. For instance, the Fund may seek to invest in companies where key managers or other persons hold significant interests in the company and/or benefit from incentives linked to the successful sale of (or further investment in) the business, and hence have an asymmetric interest to the Fund in relation to the Fund's acquisition of such business. Such persons may also hold a significant information advantage over the General Partner, the Captive Manager and/or any of their affiliates, and the Fund in connection with the business. This asymmetry in interests and information may distort the accuracy and completeness of information available to the General Partner, the Captive Manager and/or any of their affiliates, which in turn may hamper the Fund's investment decision and have an adverse effect on the Funds and the Issuer's Fund Investments. While this risk is pronounced in investment targets that are privately held (since such companies generally maintain less comprehensive financial records than listed companies and make less public disclosures which can be relied upon) it is also present in the case of investment targets that are listed (since a listed target may have material price sensitive information that remains unpublished).

***Due diligence conducted by the Funds may not be exhaustive and may not uncover all relevant risks and facts relating to an investment in Portfolio Companies***

Before making investments, the General Partner or the Captive Manager, as the case may be, will typically conduct due diligence that they deem reasonable and appropriate based on the facts and circumstances applicable to each investment. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, environmental and legal issues. External consultants, legal advisors, accountants, investment banks and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment. Such involvement of third party advisors or consultants may present a number of risks primarily relating to the reduced control by the General Partner or the Captive Manager, as the case may be, of the functions that are outsourced. In addition, if the General Partner and/or the Captive Manager are unable to timely engage third-party providers, their ability to evaluate and acquire more complex targets could be adversely affected. When conducting due diligence and making an assessment regarding an investment, the General Partner and/or the Captive Manager will rely on the resources available to it, including internal sources of information as well as information provided by the target investment, existing shareholders, lenders and other independent sources (including third party investments). The due diligence process may at times rely on limited or incomplete information.

The General Partner or the Captive Manager, as the case may be, will consider investments for the Fund in part on the basis of information and data relating to potential investments filed with various government regulators and publicly available or made directly available to the General Partner or the Captive Manager by the prospective Portfolio Companies or third parties. Although they will evaluate all such information and data and seek independent corroboration when it considers it appropriate and reasonably available, they will not be in a position to confirm the completeness, genuineness or accuracy of such information and data. They are dependent upon the integrity of the management of the entities filing such information and of such Portfolio Companies and third parties providing such information, as well as the financial reporting process in general.

There can be no assurance that the Fund will be able to detect or prevent irregular accounting, employee misconduct or other fraudulent practices during the due diligence phase or during its efforts to monitor an investment on an ongoing basis or that any risk management procedures implemented by the Fund will be adequate. An additional concern is the possibility of material misrepresentation or omission on the part of the originator. Such inaccuracy or incompleteness may adversely affect the value of the Fund's securities. The Fund will rely upon the accuracy and completeness of representations made by sellers and the target in the due diligence process to the extent reasonable when it makes its investments, but cannot guarantee such accuracy or completeness.

Such fraud, misrepresentation or omission may adversely affect the value of the investment and/or the value of the collateral underlying the investment in question and may adversely affect the Fund's ability to enforce its contractual rights relating to that investment or the relevant obligor's ability to repay the principal or interest on the investment. Accordingly, there can be no assurance that any due diligence investigation carried out with respect to any investment opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Any failure to identify relevant facts through the due diligence process may cause an inappropriate investment decision to be made, which may have a material adverse effect on the performance of the Fund, and, by extension, the Fund's business, financial condition, results of operations and the value of the Issuer's Fund Investments in the Fund. There is no certainty that any due diligence investigations will result in investments being successful or that the actual financial performance of an investment will not fall short of the financial projections used by the Fund when evaluating that investment. Conduct occurring at Portfolio Companies, even activities that occurred prior to the Fund's investment therein, could have an adverse impact on the Fund.

In addition, the General Partner may rely upon independent consultants or experts in connection with its evaluation of proposed investments. There can be no assurance that these consultants or experts will accurately evaluate such investments. Investment analyses and decisions by the General Partner may be undertaken on an expedited basis in order to make it possible for the Fund to take advantage of short-lived investment opportunities. In such cases, the available information at the time of an investment decision may be limited, inaccurate and/or incomplete. Furthermore, the General Partner may not have sufficient time to fully evaluate such information even if it is available. In addition, the financial information available to the General Partner may not be accurate or provided based upon accepted accounting methods.

Under certain circumstances, payments to the Fund may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

***The Funds are subject to the risks or failures by third-party service providers***

The Funds, the General Partners and the Captive Manager may utilise the services of third parties, including legal advisers, accountants and other consultants or service providers in their operations, and generally rely upon such advisers for their professional judgment with respect to legal, tax, regulatory and other matters or services provided by such third parties. Nevertheless, there risks associated with the use of such third party advisers, who may provide incorrect advice or be unreliable even if due care and diligence is taken with their selection. The Fund may suffer adverse consequences from actions, errors or failure to act by such third parties, and will have obligations, including indemnity obligations, and limited recourse against them.

***The Funds are subject to risks relating to the use of brokers***

A Fund may engage brokers in relation to the making of and disposition of its investments and other assets of the Fund. Brokers will be selected by the General Partner or Vertex Ventures Group on the basis of, among other things, best execution and in consideration of a broker's ability to effect the transactions, its facilities, reliability and financial responsibility, as well as the provision or payment by the broker of the costs of research and research-related services. In addition, brokers may provide other services that are beneficial to the Vertex Ventures Group, but not necessarily beneficial to the Fund, including, without limitation, capital introduction, marketing assistance, consulting with respect to technology, operations or equipment, and other services or items. Such services and items may influence the selection of brokers.

***The Funds may not be able to obtain insurance against certain catastrophic losses***

Certain losses of a catastrophic nature, such as wars, earthquakes, typhoons, terrorist attacks or other similar events, may be either uninsurable or insurable at such high rates that to maintain such coverage would cause an adverse impact on the related investments. In general, losses related to terrorism are becoming more difficult and more expensive to insure against. Some insurers are excluding terrorism coverage from their all-risk policies. In some cases, the insurers are offering significantly limited coverage against terrorist acts for additional premiums, which can greatly increase the total costs of casualty insurance for a property. As a result, all investments may not be insured against terrorism. If a major uninsured loss occurs, the Fund could lose both invested capital in and anticipated profits from the affected investments.

***The Funds and the Portfolio Companies may be subject to cyber security breaches and identity theft***

Cyber security incidents and cyber-attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. The information and technology systems of the Funds and the Portfolio Companies may be vulnerable to damage or interruption from computer viruses, failures,

computer and telecommunication failures, infiltration by unauthorised persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. There can be no assurance that the Fund or the Portfolio Companies will be able to prevent or mitigate such incidents. If systems and measures to manage risks relating to these types of events are compromised, become inoperable for extended periods of time or cease to function properly, such the Funds and/or such Portfolio Companies may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the operations of such Funds and/or such Portfolio Companies, and could result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners, authorised persons, related parties, employees and other representatives of investors). A cyber security incident could have numerous material adverse effects, including on the operations, liquidity and financial condition of the Fund and/or the Portfolio Company. Cyber threats and/or incidents could cause financial costs from the theft of the assets (including proprietary information and intellectual property) of the Fund and/or the Portfolio Company as well as numerous unforeseen costs including, but not limited to, litigation costs, preventative and protective costs, remediation costs and costs associated with reputational damage, any one of which, could be materially adverse to the Fund and, accordingly, the Issuer's Fund Investments. The failure to maintain an infrastructure commensurate with the size and scope of the respective businesses of the Issuer, the Funds and the Portfolio Companies, as well as any human error (resulting from their respective employees) or system failure of their respective internally managed hardware and/or software could result in severe disruptions of the respective business of the Issuer, the Funds and the Portfolio Companies. While the Issuer Group, the Funds and the Fund's Portfolio Companies may have robust operating and technology platform and systems and procedures in place and have sourced for reliable service providers, there can be no assurances that failure thereto will not occur.

In addition, while the Issuer, the Funds and the Portfolio Companies may have business continuation and disaster recovery programmes in place, such programmes may not be sufficient to mitigate the harm that may result from such a disaster or disruption. In addition, insurance and other safeguards might only partially reimburse the Issuer, the Funds and/or the Portfolio Companies for its losses, if at all.

***The Portfolio Companies are subject to operating, regulatory compliance and environmental risks***

The Funds will generally invest predominantly in unlisted companies. There can be no assurance that the Portfolio Company is, or will continue to be, fully compliant with all necessary regulations in all the markets in which they operate. This risk is more significant in the case of unlisted companies than listed companies. Additionally, unlisted companies are not regulated by equivalent levels of disclosure and investment protection regulations that apply to listed companies. Also, changes in regulatory conditions may adversely affect the marketability and financial performance of certain investments.

Operations of the Portfolio Companies may be subject to a variety of operating risks and to more extensive governmental regulation, including regulations that may, in certain circumstances, impose strict liability for pollution damage, and to interruption or termination of operations by governmental authorities based on environmental or other considerations. Such operations could result in liability for personal injuries, property damage, oil or chemical spills, discharge of hazardous materials, remediation and clean-up costs and other environmental damages. A Portfolio Company could be liable for environmental damages caused by previous property owners. As a result, substantial liabilities to third parties or governmental entities may be incurred, the payment of which could have material adverse effect on a Portfolio Company's financial condition and results of operations. A Portfolio Company may maintain insurance coverage for its operations, including limited coverage for sudden environmental damages, but insurance coverage for environmental damages that occur over time or insurance coverage for the full potential liability that could be caused by sudden environmental damages may not be available at a reasonable cost, and a Portfolio Company may be subject to liability or may lose substantial portions of its properties in the event of certain environmental damages. Although the General Partner expects to structure investments such that any such environmental liability will be limited to the Portfolio Company and not the Fund itself, there can be no assurances that such liability can be successfully limited in such manner or that the interests of the Fund will not be adversely affected by such structure.

***The Fund Investments are subject to market disruption and terrorism***

The instability in the various parts of the world and the prevalence of terrorist attacks throughout the world could have significant adverse effects on the global economy. Terrorist attacks, in particular, may exacerbate some of the on-going risk factors. A terrorist attack involving, or in the vicinity of, a Portfolio Company in which the Fund invests may result in a liability far in excess of available insurance coverage. Neither the General Partner nor Vertex Ventures Group can predict the likelihood of these types of events occurring in the future nor how such events may affect the Fund.

## **Risks associated with Portfolio Companies**

### ***The Portfolio Companies may operate in competitive marketplaces***

A portion of a Fund's assets may be invested in companies in highly competitive markets dominated by firms with substantially greater financial and possibly better technical resources than the Portfolio Companies in which the Fund invests. Portfolio companies in which the Fund invests may operate in business sectors that face technological changes and/or may be dominated by other firms or organisations.

### ***The Funds may make non-controlling and controlling investments***

The Funds may make minority investments in Portfolio Companies where it may have limited influence and the Fund may not be in a position to limit or otherwise protect the value of its investment in such Portfolio Companies. This could result in the Fund's investments in the Portfolio Companies being frozen in minority positions that incur substantial loss. It could also prevent the Fund from realising the value of its investments and distributing proceeds in a timely manner. In addition, although the Fund may seek board representation in connection with its investments, there is no assurance that such representation, if sought, will be obtained.

A Fund may also seek to have significant influence on the management, operations and strategic direction of Portfolio Companies in which it invests. The exercise of control and/or significant influence over a company imposes additional risks of liability for environmental damage, product defects, failure to supervise management and other types of liability in which the limited liability characteristic of business operations may generally be ignored. The exercise of control and/or significant influence over a Portfolio Company could expose the assets of the Fund to claims by such Portfolio Company, its security holders and its creditors. While the General Partner intends to manage the Fund in a way that will minimise exposure to these risks, the possibility of successful claims cannot be precluded.

### ***The Funds may face risks relating to board participation in Portfolio Companies***

Each Fund may be represented on the boards of directors of certain of its Portfolio Companies or may have its representatives serve as observers on relevant such boards of directors. Although such positions in certain circumstances may be important to the Fund's investment strategy and may enhance the General Partner's ability to manage the relevant investments, they may also have the effect of impairing the General Partner's ability to sell any related securities when, and upon the terms, it may otherwise desire, and may subject the General Partner, Vertex Ventures Group and/or the Fund to claims they would not otherwise be subject to, including claims of breach of fiduciary duties, securities claims and other director-related claims. In general, the Fund will indemnify the General Partner and Vertex Ventures Group (and their respective representatives) from such claims. Such board participation may result in the Fund being exposed to litigation and enforcements risks.

### ***The Funds may have limited management control over Portfolio Companies and Portfolio Companies rely on a limited number key individuals and may not be able to attract, retain and develop talent***

Portfolio Companies may rely on the services of a limited number of key individuals, the loss of any one or more of whom could significantly adversely affect the Portfolio Company's performance. Although the General Partner and the Captive Manager will monitor the performance of each investment, the management of each Portfolio Company will have day-to-day responsibility with respect to the business of such Portfolio Company. The Funds may therefore have limited ability to protect its positions in such Portfolio Companies because it may not be able to sufficiently influence the decision-making or implementation process. Additionally, Portfolio Companies may need to attract, retain and develop executives and members of their management teams. The market for executive talent can be, notwithstanding general unemployment levels or developments within a particular industry, extremely competitive. There can be no assurance that Portfolio Companies will be able to attract, develop, integrate and retain suitable members of its management team and, as a result, the Fund may be adversely affected thereby.

### ***The targeted or projected returns of the Fund's investments are uncertain***

Each Fund will make investments based on the General Partner's or the Captive Manager's estimates or projections of internal rates of return and current returns, which in turn are based on, among other considerations, assumptions regarding the performance of the Portfolio Companies and the manner and timing of dispositions, all of which are subject to significant uncertainty. In addition, events or conditions that have not been anticipated may occur and may have a significant effect on the actual rate of return received upon the Fund's investments. The Fund may make investments that may have different degrees of associated risk.

***The Funds may be subject to contingent liabilities on disposition of the investments in Portfolio Companies***

In connection with the disposition of an investment in a Portfolio Company, a Fund may be required to make representations about the business and financial affairs of such company typical of those made in connection with the sale of a business. Each Fund may be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate. These arrangements may result in the incurrence of contingent liabilities for which the General Partner may establish reserves and escrows. In that regard, distributions may be delayed or withheld until such reserve is no longer needed or the escrow period expires. The Limited Partners may also be required to return distributions previously made to them to satisfy the Fund's obligations with respect to the foregoing.

***The Funds will need to determine and establish an appropriate balance of reserves for follow-on investments***

As is customary in the industry, the General Partner will establish reserves for follow-on investments by the Funds in Portfolio Companies, operating expenses (including management fees), partnership liabilities, and other matters. Estimating the appropriate amount of such reserves is difficult, especially for follow-on investment opportunities, which are directly tied to the success and capital needs of Portfolio Companies. Inadequate or excessive reserves could impair the investment returns to the Limited Partners. If reserves are inadequate, the Partnership may be unable to take advantage of attractive follow-on or other investment opportunities or to protect its existing investments from dilutive or other punitive terms associated with "pay-to-play" or similar provisions. If reserves are excessive, the Funds may decline attractive investment opportunities.

***The Funds may excuse and exclude certain Limited Partners for an investment, which may increase the investment exposure of other Limited Partners who are not excused or excluded***

Under certain limited circumstances, a Limited Partner may be excused from participating in an investment (including to avoid violations of law and violations of a Limited Partner's written policies disclosed to the General Partner prior to making a capital commitment to the Fund) or the General Partner may exclude or limit the participation of a Limited Partner in an investment (including if a Limited Partner's participation is substantially likely to result in a violation of law by the Fund). In any such circumstance, each other Limited Partner may be required to make an additional capital contribution to the Fund in respect of such investment, subject to certain limitations, thereby resulting in such other Limited Partner having increased exposure to such investment than such Limited Partner would otherwise have had but for such excuse or exclusion event.

***The Funds may be subject to conflict of interests which may require the approval of the advisory committee***

The General Partner may in certain situations choose to seek the approval of the members of the advisory committee of the Fund ("**Advisory Committee**") using established guidelines with respect to potential conflict of interest situations and Advisory Committee approval may be required to resolve certain conflicts and other matters, as set forth in the partnership agreement of the Fund. Any such approval by the Advisory Committee will be binding upon the Fund and all the Limited Partners. Although the Advisory Committee is intended to act as the representative of the Limited Partners, there is no assurance that the Advisory Committee and its respective members may not have the same interests as all investors and that the members of the Advisory Committee may vote in consideration of their own interests, which in turn could conflict with the interests of the other Limited Partners or the Fund as a whole. Furthermore, the Advisory Committee cannot be expected to be expert in venture capital investing, and certain of its determinations may, in fact, adversely affect the performance of the Fund.

***The Network Funds are subject to the risks of removal of the General Partner or early termination***

The General Partner of a Network Fund may be removed by the Limited Partners and a successor general partner is appointed in accordance with the Limited Partnership Agreement of the Network Fund. Should this happen, there can be no certainty regarding the Fund's ability to consummate investments, restructuring or exit opportunities thereafter. Moreover, it is possible that the Fund may be wound up and dissolved prematurely, and as a result, may not be able to accomplish its objectives and may be required to dispose of its investments at a disadvantageous time or make an in-kind distribution (resulting in Limited Partners like the Issuer not having their capital invested and/or deployed in the manner originally contemplated).

***The assets of the Funds may be used to indemnify the General Partner, the Captive Manager and certain other parties***

The Fund's assets may be used to indemnify the General Partner, the Captive Manager, any of their respective affiliates and their respective officers, directors, members, shareholders, partners, agents, consultants and

employees (as well as any member of the Advisory Committee and any Limited Partner represented by a member of the Advisory Committee to the extent that such Limited Partner is vicariously liable for the actions of such member associated with his or her duties as a member of the Advisory Committee) for any claim, liability or expense incurred by such person or entity or to which such person or entity may be subject by reason of its activities on behalf of the Fund or in furtherance of the interest of the Fund or otherwise arising out of or in connection with the Fund and its Portfolio Companies. Such liabilities may be material and have an adverse effect on the returns to the Limited Partners. Additionally, such indemnified parties may be entitled to exculpation by the Fund. The indemnification obligation of the Limited Partners would be payable from the assets of the Fund, including the uncalled capital commitments of the Limited Partners. If the assets of the Fund are insufficient, the General Partner may recall distributions previously made to the Limited Partners, subject to certain limitations set forth in the Partnership Agreement.

The Fund may purchase insurance for the Fund, the Captive Manager and their employees, agents and representatives. In addition, because the Fund advance the costs and expenses of an indemnitee pending the outcome of the particular matter (including determination as to whether or not the person was entitled to indemnification or engaged in conduct that negated such person's entitlement to indemnification), there may be periods where the Fund is advancing expenses to an individual or entity with whom the Fund is not aligned or is otherwise an adverse party in a dispute. Moreover, in its capacity as general partner of the Fund, the General Partner or the Captive Manager may, notwithstanding any actual or perceived conflict of interest, be the beneficiary of any decision by it to provide indemnification (including advancement of expenses). This may be the case even with respect to settlement of actions where any indemnitee was alleged to have engaged in conduct that disqualifies any such person from indemnification or exculpation so long as the General Partner or the Captive Manager (and/or its legal counsel) have determined that such disqualifying conduct did not occur.

***Fund expenses of the Fund may have an adverse impact on the returns on the Fund Investments***

The Fund will pay and bear all expenses related to its operations. The amount of these Fund expenses will be substantial and will reduce the actual returns realised by investors on their investment in the Fund (and will reduce the amount of capital available to be deployed by the Fund for investments). Fund expenses include recurring and regular items, as well as extraordinary expenses for which it may be hard to budget or forecast. As a result, the amount of expenses ultimately called or called at any one time may exceed expectations. As described further in the relevant Limited Partnership Agreement, fund expenses encompass a broad range of expenses and include all expenses of operating the Fund and its related entities, including, for example, all expenses relating to the organisation and maintenance of any entities used directly or indirectly to acquire, hold, or dispose of any one or more investment(s) or otherwise facilitating the Fund's investment activities (including, without limitation, any travel and accommodation expenses related to such entity, the salary and benefits of any personnel reasonably necessary for the maintenance of such entity or other overhead expenses in connection therewith).

Although the costs and expenses of forming and organising the Fund entities are separately categorised, ongoing Fund expenses to be borne by the Limited Partners and not classified as organisational expenses include costs that relate to organisational matters, such as travel, entertainment and related expenses of the General Partner, the Manager and their respective affiliates, legal, audit and filing fees, capital raising and investor-related services and other similar costs and costs and expenses of administering side letters entered into with Limited Partners (including the process of distributing and implementing applicable elections pursuant to the "most-favoured-nations" provisions).

Expenses to be borne by the General Partner and/or the Manager are only limited to those items specifically enumerated in the Partnership Agreement (such as rent for office space, office furniture and salaries of its employees), and all other costs and expenses in operating the Fund will be borne by the investors. Fund expenses may also include, among other things, (i) expenses related to investor reporting (including tax reporting and any other valuation or certifications required) and notices, expenses incurred in preparing the Fund's accounts; (ii) expenses related to meetings of investors and the Advisory Committee; (iii) expenses related to compliance-related matters (including tax compliance) and regulatory filings (including, without limitation, regulatory filings of the General Partner, the Manager and their respective affiliates relating to the Fund and its activities (where applicable), reports to be filed in connection with the requirements of the MAS or the SEC); (iv) expenses and fees of any reports, disclosures, filings and notifications prepared, and service providers appointed, in connection with the laws, rules, regulations or similar requirements of jurisdictions in which the Fund engages in activities (or in which any prospective investor is domiciled or established), including any notices, reports, and/or filings (including those in connection with the offering of interests) in accordance with any national private placement regime in any jurisdiction and any related regulations; (v) expenses and fees charged or specifically attributed or allocated by the General Partner, the Manager or any other entity affiliated with the Vertex Ventures Group to

provide administrative services to the Fund (including overhead related thereto); and (vi) expenses, charges and/or related costs incurred by the Fund, the General Partner, the Manager or any other entity affiliated with the Vertex Ventures Group in connection with such provision of administrative services to the Fund (or specifically allocated thereto).

Expenses associated with the investigation, negotiation, structuring, acquisition, holding, monitoring and disposition of investments, (including, without limitation, any brokerage, financing, custody or hedging costs and travel, entertainment and related expenses in connection with the Fund's investment activities) will be borne by the Fund (and indirectly by the Limited Partners). To the extent not reimbursed by a third party, all expenses incurred in connection with a proposed investment that is not ultimately made or a proposed disposition that is not actually consummated, including travel, entertainment and related expenses, legal, tax, accounting, advisory, consulting and printing expenses and any liquidated damages, reverse termination fees or similar payments may be borne by the Fund (and allocated pro rata to all partners, without taking into account any applicable excuse rights of any Limited Partner). From time to time, the General Partner will be required to decide whether costs and expenses are to be borne by the Fund on the one hand or the General Partner on the other, and/or whether certain costs and expenses should be allocated between or among the Fund, on the one hand, and one or more other Vertex Ventures Funds, on the other. Certain expenses may be suitable for only the Fund or participating other Vertex Ventures Fund and borne only by such fund, or, as is more often the case, expenses may be allocated among each participating other Vertex Ventures Fund and the Fund even if the expenses relate only to particular vehicle(s) and/or investor(s) therein. The General Partner will make such allocation judgments in its fair and reasonable discretion, notwithstanding its interest in the outcome, and may make corrective allocations should it determine that such corrections are necessary or advisable. Travel, entertainment and related expenses described herein may include, without limitation, airfare, lodging, ground transportation, travel and meals (including, as applicable, closing dinners and mementos, cars and meals, and social and entertainment events with portfolio entity management, customers, clients, borrowers, brokers and service providers). Investors should note that the management fee is required to be paid even if the Fund experiences net losses in a particular year or may extend beyond term of the Fund.

***There will be limited access by Limited Partners, including the Issuer, to information relating to the Fund and the investments of the Funds***

The rights of the Limited Partners, including the Issuer, to information regarding the Fund will be specified, and strictly limited, in the Limited Partnership Agreement. In particular, it is anticipated that the General Partner will obtain certain types of material information from investments that will not be disclosed to Limited Partners because such disclosure is prohibited for contractual, legal or similar obligations outside of the General Partner's control. Decisions by the General Partner to withhold information may have adverse consequences for Limited Partners in a variety of circumstances. For example, a Limited Partner that seeks to transfer its interests may have difficulty in determining an appropriate price for such Interests. Decisions to withhold information also may make it difficult for Limited Partners to monitor the General Partner and its performance. Additionally, it is expected that Limited Partners who designate representatives to participate on the Advisory Committee may, by virtue of such participation, have more information about the Fund and its investments in certain circumstances than other Limited Partners generally and may be disseminated information in advance of communication to other Limited Partners generally.

***The Funds may be required to make mandatory disclosure of confidential information relating to the Portfolio Companies***

The General Partner, the Captive Manager, directors of any of the foregoing entities and/or certain Limited Partners in the Fund may be required by law or otherwise to disclose certain confidential information relating to a Portfolio Company. Such disclosure may affect the ability of the Fund to realise its investment in such Portfolio Company may affect the price that the Fund is able to obtain upon any subsequent realisation or may otherwise adversely affect the Fund.

***The Fund may not be able to make public disclosure of information relating to the Portfolio Companies***

Interests may be held by investors, such as public pension plans and listed investment vehicles, that are subject to public disclosure requirements. The amount of information about their investments that is required to be disclosed has increased in recent years, and that trend may continue. Disclosure of information relating to a particular investment of the Fund may adversely affect the Fund, including the Fund's ability to realise such investment and the price that the Fund is able to obtain on the realisation of such investment. To the extent that the General Partner determines that information that an investor would otherwise be entitled to receive could be disclosed by such investor as a result of such investor being subject to laws in the nature of freedom of

information acts, or as a result of it being a public authority or owned by a public authority or subject to public disclosure laws, statutes, statutory instruments, regulations or policies and the disclosure of such information would not be in the best interests of the Fund, the General Partner, the Captive Manager or any Portfolio Company, the General Partner shall have the right not to provide such investor with any information that such investor would otherwise be entitled to receive or have access to.

### **Risks associated with certain legal, regulatory and tax matters**

#### ***The Funds may be subject to extensive regulation around the world***

As the Funds operate in a heavily regulated industry, its businesses are subject to extensive ongoing regulation (as updated, amended or supplemented from time to time), including periodic examinations, inquiries and investigations by governmental and regulatory organisations in the jurisdictions in which it operates. Many of these regulators are empowered to impose fines, suspensions of personnel and funds or other sanctions, including censure or the suspension or expulsion of applicable licences. Any of the foregoing may damage the Fund's relationships with existing fund investors, impair its ability to raise capital for successor funds, impair its ability to carry out certain investment strategies, contravene provisions concerning compliance with law in agreements to which it is a party and significantly harm the reputation of the Funds.

In addition, actions by regulators against other investment managers can cause changes in business practices that could materially and adversely affect the business, results of operations and financial condition of the Funds. In recent years, the venture capital industry has come under increased regulatory and news media scrutiny with governmental officials and regulators, including the SEC, focusing on the venture capital industry's fees, allocation of expenses to funds, valuation practices, allocation of fund investment opportunities, particularly co-investment opportunities, and disclosures to fund investors.

The Funds may also be adversely affected by a failure to comply with existing laws and regulations or by changes in the interpretation or enforcement of such laws and regulations, including those discussed above. Challenges associated with interpreting regulations issued in numerous countries in a globally consistent manner may add to such risks, if regulators in different jurisdictions have inconsistent views or provide only limited regulatory guidance. In particular, violation of applicable laws or regulations could result in fines and/or sanctions, temporary or permanent prohibition of certain activities, reputational harm and related client terminations, suspensions of employees or revocation of their licences, suspension or termination of investment adviser, other registrations or other sanctions, which could have a material adverse effect on the Fund's reputation or business and may cause the Fund's revenue and earnings to decline.

#### ***The General Partners of the Fund are responsible for the prevention of money laundering and terrorism financing***

As part of a General Partner's responsibility for the prevention of money laundering and terrorism financing under the applicable laws and regulations in the relevant jurisdiction in which the Funds operate, the Fund and/or the General Partner may require a detailed verification of a Limited Partner's and the source of the Limited Partner's capital contributions.

In the event of delay or failure by a Limited Partner to produce any such information required for verification purposes, the Fund may refuse to accept the subscription and any monies relating thereto. In addition, each Limited Partner will have or will be required to represent and warrant to the Fund, certain matters pursuant to other applicable Singapore, US and other non-US anti-money laundering, anti-terrorist and foreign asset control laws, regulations, rules or orders. Each Limited Partner will be required to promptly notify the General Partner if any of the foregoing will cease to be true with respect to such Limited Partner.

As a result of the money laundering regulations as described above, a General Partner may from time to time request, and the Limited Partners will be obligated to provide to the General Partner upon such request, additional information as from time to time may be required for it and the Fund to satisfy their respective obligations under these and other laws that may be adopted in the future. Also, a General Partner may from time to time be obligated to file reports with various jurisdictions with regard to, among other things, the identity of the Limited Partners and suspicious activities involving the Interests.

In the event it is determined that any Limited Partner, or any direct or indirect owner of any Limited Partner, is a person identified in any of these laws as a prohibited person, or is otherwise engaged in activities of the type prohibited under these laws, the General Partner may be obligated, among other actions to be taken, to withhold distributions of any funds otherwise owing to such Limited Partner or to cause such Limited Partner's Interests to be cancelled or otherwise redeemed (without the payment of any consideration in respect of those Interests).

***Changes in the financial and tax laws and regulations may have an adverse impact on the Issuer, the Group and the Funds***

Tax laws and regulations are changing on an ongoing basis, and such laws and regulations may be changed with retroactive effect and may directly or indirectly subject the Fund and/or the Limited Partners, including the Issuer, to increased tax liabilities or have other adverse effects, including requiring Limited Partners, including the Issuer or the Group, to provide certain additional information to the Fund. Moreover, the interpretation and application of tax laws and regulations by certain tax authorities may not be clear, consistent or transparent. Uncertainty in the tax law may require the accrual of potential tax liabilities even in situations where the Fund or the Limited Partners, including the Issuer or the Group, do not expect to be ultimately subject to such tax liabilities. Moreover, accounting standards or related tax reporting obligations may change, giving rise to additional accruals or other obligations. If as a result of a particular tax risk materialising, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of those transactions.

***The Funds may be subject to taxation in certain jurisdictions***

The Funds or the Limited Partners, including the Issuer, may be subject to income or other tax in the jurisdictions in which investments are made. Additionally, withholding tax or branch tax may be imposed on earnings of the Fund from investments in such jurisdictions. Local and other tax incurred in such jurisdictions by the Fund or vehicles through which it invests may not be creditable to or deductible by a Limited Partner under the tax laws of the jurisdiction where such Limited Partner resides.

***Risks associated with the Funds investing in emerging markets***

The following summary sets forth certain, but not all, risk factors related to Funds investing in emerging markets generally, including countries in China, the Southeast Asian region and India.

***There are additional risks involved when the Funds invests emerging markets***

The investments by certain Funds in emerging markets involves additional risks and special considerations not typically associated with investing in other more established economies or markets. Such risks may include (i) increased risk of nationalisation or expropriation of assets or confiscatory taxation; (ii) greater social, economic and political uncertainty, including war; (iii) higher dependence on exports and the corresponding importance of international trade; (iv) greater volatility, less liquidity and smaller capitalisation of markets; (v) greater volatility in currency exchange rates; (vi) greater risk of inflation; (vii) greater controls on foreign investment and limitations on realisation of investments, repatriation of invested capital and on the ability to exchange local currencies for U.S. Dollars; (viii) increased likelihood of governmental involvement in and control over the economy; (ix) governmental decisions to cease support of economic reform programmes or to impose centrally planned economies; (x) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (xi) less extensive regulation of the markets; (xii) longer settlement periods for transactions and less reliable clearance and custody arrangements; (xiii) less developed corporate laws regarding fiduciary duties of officers and directors and the protection of investors; (xiv) certain considerations regarding the maintenance of the Fund's financial instruments with non-US brokers and securities depositories; and (xv) higher compliance risks and/or costs. Repatriation of investment income, assets and the proceeds of sales by foreign investors may require governmental registration and/or approval in some emerging countries. The Fund could be adversely affected by delays in or a refusal to grant any required governmental registration or approval for such repatriation or by withholding taxes imposed by emerging market countries on interest or dividends paid on financial instruments held by the Fund or gains from the disposition of such financial instruments.

In emerging markets, there is often less government supervision and regulation of business and industry practices, stock exchanges, over-the-counter markets, brokers, dealers, counterparties and issuers than in other more established markets. Any regulatory supervision which is in place may be subject to manipulation or control. Some emerging market countries do not have mature legal systems comparable to those of more developed countries. Moreover, the process of legal and regulatory reform may not be proceeding at the same pace as market developments, which could result in investment risk. Legislation to safeguard the rights of private ownership may not yet be in place in certain areas, and there may be the risk of conflict among local, regional and national requirements. In certain cases, the laws and regulations governing investments in securities may not exist or may be subject to inconsistent or arbitrary appreciation or interpretation. Both the independence of judicial systems and their immunity from economic, political or nationalistic influences remain largely untested in many countries. The Fund may also encounter difficulties in pursuing legal remedies or in obtaining and enforcing judgments in the courts of the relevant jurisdictions.

Investments in securities of issuers in emerging markets may be subject to greater risks than investments in securities of issuers from member states of the OECD due to a variety of factors including currency controls and currency exchange rates fluctuations, changes in governmental administration or economic or monetary policy or changed circumstances in dealings between nations, expropriation, confiscatory taxation and potential difficulties in enforcing contractual obligations. There may be less publicly available information about issuers in certain countries and such issuers may not be subject to uniform accounting, auditing and financial reporting standards and requirements comparable to those of most OECD issuers. In certain countries, securities of local issuers are less liquid and more volatile than securities of comparable issuers of more mature economies and subject to lower levels of government supervision than those on the OECD. The investments in such markets may be considered speculative and subject to significant custody and clearance risks and delay in settlement.

***The Funds may invest in countries with undeveloped infrastructure***

A Fund may invest in countries in which capital and advanced technology are significantly limited. Delays in local postal, transport, banking, or communications systems could cause Portfolio Companies to lose rights, opportunities, entitlements, or funds and expose them to currency fluctuations.

***The investments by the Funds may be subject to foreign investment controls***

Foreign investment in securities of companies in certain of the countries in which a Fund may invest is restricted or controlled to varying degrees. These restrictions or controls may at times limit or preclude foreign investment above certain ownership levels or in certain sectors of the country's economy and increase the costs and expenses of the Fund. While regulation of foreign investment has liberalised in recent years in many emerging markets (including in China, Southeast Asia and India), there can be no assurance that more restrictive regulations will not be adopted in the future. Some countries require governmental approval for the repatriation of investment income, capital or the proceeds of sales by foreign investors and foreign currency. For example, governments in Southeast Asia and India have in the past, and may in the future, imposed controls and/or procedural requirements on the convertibility of their currencies into foreign currencies and the remittance of currency from such countries to other jurisdictions in certain circumstances (including controls based on the category of remittance to be made, e.g., current account items such as payments to suppliers for imports, labour, services, and payments of interest on foreign exchange loans and capital account-related payments, such as the repayment of bank loans denominated in foreign currencies or direct investment). Accordingly, deteriorations in a country's balance of payments or a number of other circumstances, could cause governments to impose temporary restrictions on capital remittances abroad. The Fund could be adversely affected by delays in, or a refusal to grant, any required governmental approval for repatriation of capital interests and dividends paid on securities held by the Fund, and income on such securities or gains from the disposition of such securities may be subject to withholding taxes imposed by certain jurisdictions.

***The Funds may invest in countries with historically and prospectively high rates of inflation***

Some developing countries have historically experienced substantial rates of inflation. Inflation and rapid fluctuations in inflation rates have had, and may continue to have, negative effects on the economies and securities markets of certain emerging economies. In an attempt to stabilise inflation, certain countries have imposed wage and price controls at times. Past governmental efforts to curb inflation have also involved more drastic economic measures that have had a materially adverse effect on the level of economic activity in the countries where such measures were employed. There can be no assurance that inflation will not become a serious problem in the future and thus have an adverse impact on the Fund's returns.

***The Fund and the Portfolio Companies may not be able to enforce their legal rights***

Because the effectiveness of the judicial systems in certain jurisdictions in which a Fund may invest varies, the Fund or a Portfolio Company may have difficulty in successfully pursuing claims in the courts of such countries, as compared to Singapore, the United States or other developed countries. For example, the enforceability of contracts in many countries within the Southeast Asian region and India, especially with governmental entities, is relatively uncertain, and the Fund (or any Portfolio Company) may have difficulty in successfully pursuing claims against an entity in which it invests or transacts business or such entity's directors, executive officers or shareholders compared to Singapore, the United States or other developed countries. If counterparties repudiate contracts or default on their obligations, there may not be adequate remedies available. Furthermore, to the extent the Fund or a Portfolio Company may obtain a judgment but is required to seek its enforcement in the courts of one of the countries in which the Fund invests, there can be no assurance that such courts will enforce such judgment. Actions brought in certain countries to enforce contractual rights, or other legal or regulatory

proceedings, may be costly and continue for a number of years without resolution. Such limitations and uncertainty on the enforceability of contractual obligations could materially and adversely affect revenues and earnings of the Portfolio Companies.

***The accounting, disclosure and regulatory standards in emerging market economies may differ from that in more advanced economies***

Accounting, auditing, financial and other reporting standards, practices and disclosure requirements in certain of the countries in which a Fund may invest are not equivalent to those in Singapore, the United States and certain Western European countries and may differ in fundamental ways. Accordingly, information available to the Fund, including both general economic and commercial information and information concerning specific enterprises or assets, may be less reliable and less detailed than information available in more economically sophisticated countries and less information may be available to investors. In addition, in certain instances, the Fund may not have access to all available information to determine fully the origination, credit appraisal and underwriting practices utilised with respect to the investments or the manner in which the investments have been operated. As a result, the Fund's due diligence activities may provide less information than due diligence reviews conducted in more developed countries. The lower standards of due diligence in certain countries will increase the risk related to the investments in these countries. While the Fund will endeavour to conduct appropriate due diligence in connection with each investment, no guarantee can be given that it will obtain the information or assurances that an investor in a more sophisticated economy would obtain before proceeding with an investment.

**Risks associated with investing in certain geographical regions or countries**

***Investments by the Funds in Asian countries or economies may be subject to social and political risks***

A Fund may make investments in Asian countries or economies which may prove unstable, including India, and other countries in South East Asia. With any investment, there exists the risk of adverse political developments, including (i) nationalisation, expropriation of assets, or confiscation without fair compensation; (ii) social, economic or political uncertainty, including terrorism or war; and (iii) volatility in currency exchange rates.

The General Partner and the Manager will analyse risks in the applicable Asian countries before making such investments, but no assurance can be given that a political or economic climate, or particular legal or regulatory risks, might not adversely affect an investment by the Partnership.

Religious and border disputes persist in India. In addition, India has from time to time experienced civil unrest and hostilities with neighbouring countries such as Pakistan and China. The Indian government has confronted separatist movements in several Indian states. The longstanding dispute with Pakistan over the border Indian state of Jammu and Kashmir, a majority of whose population is Muslim, remains unresolved. If the Indian government is unable to control the violence and disruption associated with any such tensions, the results could destabilise the economy and, consequently, adversely affect the Fund's investments.

**Risks associated with investing in Israel**

The following summary sets forth certain, but not all, risk factors related to Funds investing in Israel.

***The relevant Funds are subject to political, military and related risks in the Middle East***

Certain Funds may invest their assets primarily in equity and equity-related securities of non-listed Israeli and Israel-related issuers. As a result, the relevant Fund may be affected by the political, military or economic conditions in the Middle East, although the export orientation and high-tech nature of the Portfolio Companies may mitigate any adverse effects that might result from such military or economic conditions.

Since the establishment of the State of Israel in 1948, a state of hostility has existed, varying in degree and intensity, between Israel and the Arab countries as well as incidents of civil unrest. While Israel has entered into peace agreements with both Egypt and Jordan, and several other countries have announced their intentions to establish trade and other relations with Israel, Israel has not entered into any additional peace agreements with such countries or with Syria or Lebanon. Certain countries, as well as individual companies, participate in a boycott of Israeli firms and others doing business in Israel or with Israeli companies. Although the effects of the boycott have gradually been reduced with time, there remain a number of countries which restrict the ability of their residents to do business with Israel or Israeli companies and this could have a material adverse effect upon certain Portfolio Companies in which the Fund invests.

The continued hostilities between the Palestinian community and Israel and the failure to settle the conflict has had and continues to have an adverse effect on the Israeli economy. There can be no assurance that these peace efforts will continue, that they will achieve their goals, will be implemented or that hostilities between Israel and

the Palestinians will cease or be reduced. There can be no assurance that security and political conditions will not have an impact on the Fund's business in the future. Hostilities involving Israel or the interruption or curtailment of trade between Israel and its present trading partners could adversely affect the Partnership's operations.

#### ***The Funds are exposed to Israeli economic risks***

Israel's economy has in the past been subject to destabilising factors, including military conflicts and political tensions, relatively high inflation and significant labour unrest. Israel continues to be dependent on foreign financial aid, the level of which is subject to political and economic conditions in the donor countries, including foreign perception of progress of the peace process. The Israeli government has had substantial involvement in nearly all sectors of the economy, including a high level of government ownership of productive enterprises. Although recent Israeli government policy has been to reduce direct involvement in economic activity in favour of a more market-directed economy, there can be no assurance that the destabilising factors will not recur, which could force a reduction or reversal in the trend to reduce government involvement in the economy. The laws and practices of the government in Israel are subject to change and modifications that may have a material adverse effect on the Partnership in various circumstances. There can be no assurance that the Israeli government will be successful in keeping prices and exchange rates stable. Price and exchange rate instability could have a material adverse impact on the performance of the Partnership.

#### **Risks associated with investing in China**

The following summary sets forth certain, but not all, risk factors related to Funds investing in China.

#### ***General risks related to investing in China***

Investing in China involves certain risks not typically associated with investments in other countries or more developed markets, including but not limited to the risks summarised below. The economy of China may perform favourably or unfavourably compared with other economies in such respects as growth of gross domestic product, rate of inflation, currency controls, currency appreciation or depreciation, capital reinvestment, resource self-sufficiency and balance of payments. The General Partner will seek to manage the Fund in a manner designed to mitigate these risks relative to the potential for gain, but such risks cannot be eliminated entirely, and may in any case be beyond the control of the General Partner. These risks, some of which are set out below, may increase expenses of the Fund, adversely affect the value of the Fund's investments, limit returns and adversely impact the Fund's investment programme and strategy.

China's economic reform programme, which started in the late 1970s, has led to rapid economic development and substantial improvements in the standard of living. However, there can be no assurance that these reform-oriented economic policies will continue with the current and future political leaderships of China. Such reform measures may be adjusted, modified or applied inconsistently from industry to industry or across different regions of China. In addition, despite China's ongoing transition from a rigidly central-planned state-run economy to an economy that has been partially reformed by more market-oriented policies, the Chinese government continues to own, directly or indirectly, a substantial portion of China's productive assets and continues to play a significant role in regulating development through industrial policies, taxation, allocating resources, regulating payments of foreign currency obligations, imposing credit policies on commercial banks, setting monetary policy and providing preferential treatment to particular industries or companies. While the Chinese economy has experienced extraordinarily rapid growth in the past three decades, this growth has been uneven, both geographically and across various sectors of the economy. Recently, this growth has slowed and the Chinese economy could move into an environment where such growth continues to slow. The Chinese government has implemented various measures to promote economic development, though some of these initiatives may have a negative effect on the Fund's Portfolio Companies. Further, a slowdown in the economies of the U.S., the European Union and certain countries in Asia may adversely affect the economic growth in China, which is to some extent dependent on exports to those countries. It is also possible that during the term of the Fund, China could experience a recession, generally defined as two or more consecutive quarters of contraction of gross domestic product. The recent volatility in the Chinese stock markets reflects the unpredictability of the economy in China, and it is uncertain whether such volatility will continue and have a significant and lasting impact on the Portfolio Companies in which the Fund will invest. Such volatility has prompted the Chinese government to implement a number of policies and restrictions with regards to the securities markets. For instance, the Chinese government implemented a temporary moratorium on the sale of certain securities, subject to certain conditions. While these actions are aimed at maintaining growth and stability in the stock market, the Fund may be negatively affected by, among other things, disruptions in the ability to sell securities when most advantageous given market conditions. Additionally, China continues to limit direct foreign

investments generally in industries deemed important to national interests. Foreign investment in domestic securities is also subject to substantial restrictions. It is not clear what the long-term effects of these policies will be on the securities market in China or whether additional actions by the Chinese government will occur in the future. Reform-oriented policies may or may not be reversed, suspended or delayed over time. The Fund will also be exposed to the direct and indirect consequences of potential political, social and diplomatic changes in China.

***The investments by the Funds are subject regulatory approval processes in China***

China has adopted a broad range of laws, administrative rules and regulations that govern the conduct and operations of companies in China that receive capital investments from foreign investors. These laws, rules and regulations may provide incentives to encourage the flow of investment into China and may impose restrictions that may not apply to domestic companies in China. The General Partner cannot provide any assurance that laws or regulations in China will not restrict the Fund's ability to invest in China. The purchase or disposal of equity interests in the Portfolio Companies may be subject to the approval of the relevant regulatory authorities in China. There is no assurance that such approvals will be granted or subject to conditions. Such approvals may also be delayed or restricted for public policy and/or other reasons. Any delay or refusal by the relevant regulatory authorities to grant necessary approvals could adversely affect the Fund's ability to make investments in potential Portfolio Companies.

Actions of the Chinese government in the future could have a significant effect on economic actions, which could affect private sector and state-owned companies and the prices and yields of investments. In addition, other matters such as exchange control regulations and taxation could adversely affect the assets of the Fund, and the Fund may also face difficult registration procedures when making or disposing of investments, and, as a foreign investor, may be subject to legal or regulatory constraints or prejudices that do not affect local investors. There can be no assurance as to the economic and tax policies that the Chinese government may pursue in the future.

***The Funds are exposed to Renminbi ("RMB") currency risk***

The General Partner may, but is under no obligation to, employ hedging techniques to manage exposure, although there can be no assurance that such strategies will be effective. The Fund may engage in currency exchange transactions in anticipation of funding investments or receiving proceeds upon dispositions, but ordinarily will not attempt to hedge currency risks over the long term.

With respect to China specifically, the Fund's assets may be invested in securities of Portfolio Companies incorporated under the laws of China or Portfolio Companies whose assets and/or profits and revenues are likely to be derived from or denominated in the Chinese currency, the RMB. Consequently, the income received by the Fund may be denominated in the RMB, whereas capital contributions and distributions from the Fund will be made in U.S. Dollars.

There is no assurance that the RMB will not experience significant fluctuations against the U.S. dollar in the future. Such fluctuations may adversely affect the value of the Issuers' Fund Investments when translated from RMB to U.S. dollars.

***The Funds may face restrictions in the conversion and repatriation of foreign exchange from investments denominated in RMB***

The Chinese government may impose controls on the convertibility of RMB into foreign currencies and the remittance of currency out of China in certain circumstances. Certain remittance or currency exchanges may require registration and/or approval from appropriate governmental authorities in China. There can be no assurance that the Fund will be permitted to inject or repatriate capital or profits within any intended time frame. The Fund could be adversely affected by delays in, or a refusal to grant, any required governmental approval for repatriation of equity and debt capital, interest and dividends paid on investments held by the Fund.

***The Portfolio Companies may face dividend payment restrictions when paying dividends or making other distributions to the Funds***

The Fund's Portfolio Companies are likely to include operating companies organised under the laws of China. The Fund may lose a source of liquidity if such Portfolio Companies are restricted from paying dividends or making other distributions to it. Current Chinese regulations permit companies in China to pay dividends only out of their accumulated profits, as determined in accordance with Chinese accounting standards and regulations. In addition, companies in China are required to set aside a percentage of their accumulated profits each year to fund certain reserve funds. These reserves are not distributable as cash dividends. Current Chinese regulations

also prohibit the allocation of tax losses among subsidiaries in China. Further, if a Portfolio Company incurs debt, the instruments governing the debt may restrict its ability to pay dividends or make other payments to the Fund.

***The investments by the Funds may face foreign investment controls and limited flexibility in structuring investments***

Foreign investment in the assets and securities of entities in China, including investments by the Fund, may be restricted or controlled to varying degrees. These restrictions or controls may at times limit or preclude foreign investment in such entities. Moreover, direct foreign investments or merger and acquisitions by foreign investors with or of companies in China, including exits from such investments, may be subject to review and approval by the relevant local authorities. Foreign ownership limitations also may be imposed by the charters of individual companies. This may cause delays and uncertainty with respect to the completion of transactions.

Certain industries within China are “restricted” or “prohibited” to foreign investment, and in order for the Fund to invest in a target company in such a protected industry and for such company to ultimately become publicly listed, it may be necessary for such company to conduct its business through certain approved or permitted investment structures. A Portfolio Company operating its business through such permitted investment structures face certain risks and uncertainties, as its control over any such structures may be based on contractual arrangements with affiliated parties and their shareholders rather than equity ownership. The enforcement of such contractual arrangements may be uncertain.

While the General Partner may have taken the relevant steps to ensure that the investment structures used by the Fund comply with the applicable foreign investment and repatriation restrictions, there can be no assurances that authorities in China will share the same view or that the law will not change such that additional governmental approvals are required, the Fund’s investments are restricted or prohibited, or repatriation of proceeds are taxed, restricted or otherwise prohibited. Some of the Fund’s investments may be structured as contractual economic arrangements, which may lead to fewer governance rights and/or negative or affirmative control over certain of such investments.

***The Funds may have limited access to the securities markets in China which may have an impact on the ability of the Fund to implement its exit strategies***

The General Partner may seek to realise gains on certain of the Fund’s investments in Portfolio Companies located in China by selling into the local public markets. The Fund may be required to restructure certain of its investments to be able to effectuate a listing or sale into the local onshore Chinese public markets. Such restructurings could have an adverse impact on the length of time required for the Fund to exit its investments and can result in material additional expenses for the Fund, the triggering of taxes and/or a reduction in governance and other rights. Further, to the extent that such restructurings do not result in a successful listing on such local public markets, they may preclude a future listing on an offshore market such as Hong Kong or in the U.S.

In China, there may be limited access is accorded to non-Chinese investors, including the Fund, to trade on Chinese securities markets, including on the types of securities that may be traded, including on whether trading is restricted to primary or secondary market trading. Stock markets in China have in the past experienced substantial price volatility and no assurance can be given that such volatility will not recur in the future, which may increase the risks associated with the acquisition and disposition of investments securities of the Portfolio Companies. In addition, limited liquidity of securities markets may affect the Fund’s ability to acquire or dispose of securities at the price and time it wishes to do so; and the illiquidity of the Fund’s investments may continue even if the underlying companies obtain listings on Chinese exchanges.

***The Funds are exposed to new sector risk as the venture capital industry is in the early stage of development***

Private equity and venture capital in China is in its early stages, and in this respect, it should be considered riskier than other more established asset classes. Additionally, given the sector’s short history in China, it may be difficult for an investor to assess the potential future performance, regulations, taxation and risks associated with expanding investments in the venture capital market of the region. With the development of this sector, new regulations may be promulgated by the Chinese government which may have a negative impact on the Fund and its investments.

***Uncertainty in the PRC legal system may make it difficult for the Funds or the Portfolio Companies to predict the outcome of an disputes that it may be involved in, including in bankruptcy proceedings***

The PRC legal system is based on the PRC Constitution and consists of written laws, regulations, circulars and directives. The PRC is still in the process of developing its legal system so as to meet the needs of investors and

to encourage foreign investment and uncertainties exist on whether and how existing laws and regulations will apply to certain events or circumstances. Some of the laws and regulations, and the interpretation, implementation and enforcement of them, are subject to policy changes. There is no assurance that the introduction of new laws, changes to existing laws and the interpretation or application thereof will not have an adverse impact on the business or prospects of the Fund or the Portfolio Companies.

Further, precedents on the interpretation, implementation and enforcement of PRC laws and regulations are limited and are not binding in the law courts of the PRC. As such, the outcome of dispute resolutions including in bankruptcy proceedings may not be consistent or predictable as in the other more developed jurisdiction and it may be difficult to obtain swift or equitable enforcement of judgment in the PRC.

***Portfolio Companies may be dependent on the issue of governmental licences and other regulatory approvals and consents in China***

Portfolio companies in China may be dependent upon the grant, renewal or continuance in force of appropriate contracts, licences, permits and regulatory approvals and consents which may be valid only for a defined time period, may be subject to limitations and may provide for withdrawal in certain circumstances. There can be no assurance that such contracts, licences, permits and regulatory approvals and consents would be granted, renewed or continue in force, or if so, on what terms. Additionally, governments and other regulators in China may impose conditions on the operations and activities of a Portfolio Company as a condition of granting its approval or to satisfy regulatory requirements. Such conditions, which may be statutory and/or commercial in nature, may limit a Portfolio Company's ability to invest in competing industries and/or acquire significant market power in a particular market, or may provide a disincentive to do so. Further, a governmental agency may impose conditions of ongoing ownership or equivalent requirements on a Portfolio Company in respect of underlying projects. This may include a requirement that certain assets remain managed by a Portfolio Company, the Fund, or their affiliates. Such conditions may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no assurance that joint ventures, licences, license applications or other legal arrangements will not be adversely affected by the actions of government authorities or others and the effectiveness of and enforcement of such arrangements cannot be assured.

**Risks Relating to the Securities Issued Under the Programme**

***The Securities may not be a suitable investment for all investors***

Each potential investor in any 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 Offering Circular, any applicable supplement to this Offering Circular or any applicable Pricing Supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant 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 relevant Securities, including where principal, interest or distribution is payable in one or more currencies, or where the currency for principal, interest or distribution payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the relevant Securities and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) 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 may be complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to the purchaser's overall portfolios. A potential investor should not invest in Securities which are complex financial instruments unless it has the expertise (either alone or with the help of 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.

Additionally, the investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Securities are legal investments for it, (2) the Securities can be used as collateral for various types of borrowing, and (3) other restrictions apply to its purchase of any Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Securities under any applicable risk-based capital or similar rules.

### ***Modification and waivers***

The Conditions 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 Trustee upon the request in writing by Securityholders holding not less than 10 per cent. of the principal amount of the 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 Securityholders of that Series. However, the Trustee shall not be bound to take any proceedings against the Issuer unless (a) it shall have been so directed by an Extraordinary Resolution of the Securityholders of such Securities or so requested in writing by Securityholders holding not less than 25 per cent. in principal amount of such Securities outstanding and (b) it shall have been indemnified and/or secured and/or pre-funded by the Securityholders to its satisfaction. Furthermore, there is a risk that the decision of the majority of holders of the Securities may be adverse to the interests of an individual Securityholder.

The Conditions also provide that the Trustee may (but shall not be obliged to) agree, without the consent of the Securityholders or the Couponholders, to (i) any modification of any of the provisions of 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 any mandatory provision of law or is required by Euroclear, Clearstream, CDP and/or any other clearing system in which the Notes may be held, (ii) any other modification (except as mentioned in the Trust Deed) which is in the opinion of the Trustee not materially prejudicial to the interests of the Securityholders and (iii) any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed, the Agency Agreement or the Conditions 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, unless the Trustee otherwise agrees, such modification, waiver or authorisation shall be notified by the Issuer to the Securityholders as soon as practicable.

### ***Singapore taxation***

The Securities to be issued from time to time under the Programme during the period from the date of this Offering Circular to 31 December 2023 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 “Taxation – Singapore Taxation”. However, there is no assurance that the conditions for “qualifying debt securities” will be met or that such Securities will continue to enjoy the tax concessions in connection therewith should the relevant tax laws be amended or revoked at any time. In addition, the tax concessions for qualifying debt securities may not be available if the Inland Revenue Authority of Singapore (“IRAS”) does not regard the Securities as debt securities for Singapore income tax purposes.

### ***Application of Singapore insolvency and related laws to the Issuer may result in a material adverse effect on the Securityholders***

There can be no assurance that the Issuer will not become bankrupt or insolvent or the subject of judicial management, schemes of arrangement, winding-up or liquidation orders or other insolvency-related proceedings or procedures. Without being exhaustive, below are some matters that could have a material adverse effect on the Securityholders.

Where the Issuer is insolvent or close to insolvent and the Issuer undergoes certain insolvency procedures, there may be a moratorium against actions and proceedings which may apply in the case of judicial management, schemes of arrangement and/or winding-up in relation to the Issuer. It may also be possible that if a company related to the Issuer proposes a creditor scheme of arrangement and obtains an order for a moratorium, the Issuer may also seek a moratorium even if the Issuer is not itself proposing a scheme of arrangement. These moratoriums can be lifted with court permission and in the case of judicial management, additionally with the permission of the judicial manager. Accordingly, if for instance there is any need for the Trustee to bring an action against the Issuer, the need to obtain court permission may result in delays in being able to bring or continue legal proceedings that may be necessary in the process of recovery.

Further, Securityholders may be made subject to a binding scheme of arrangement where the majority in number representing 75 per cent. in value of creditors and the court approve such scheme. In respect of company-initiated creditor schemes of arrangement, there are cramdown provisions that may apply to a dissenting class of creditors. The court may, notwithstanding a single class of dissenting creditors, approve a scheme provided an overall majority in number representing 75 per cent. in value of the creditors meant to be bound by the scheme have agreed to it and provided that the scheme does not unfairly discriminate and is fair and equitable to each dissenting class and the court is of the view that it is appropriate to approve the scheme. In such scenarios, Securityholders may be bound by a scheme of arrangement to which they may have dissented.

Further to the amendments that took effect on 23 May 2017 (some of which have been highlighted above), the Insolvency, Restructuring and Dissolution Act 2018, No. 40 of 2018 (the “**IRD Act**”) came into force on 30 July 2020. The IRD Act includes a prohibition against terminating, amending or claiming an accelerated payment or forfeiture of the term under, any agreement (including a security agreement) with a company which commences certain insolvency or rescue proceedings (and before the conclusion of such proceedings), by reason only that the proceedings are commenced or that the company is insolvent. This prohibition will not apply to any contract or agreement that is, or that is directly connected with, the Securities. However it may apply to related contracts that are not found to be directly connected with the Securities.

#### ***Legal investment considerations may restrict certain investments***

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should seek independent legal advice to determine whether and to what extent (1) Securities are legal investments for the potential investor, (2) Securities can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Securities under any applicable risk-based capital or similar rules.

#### ***A change in the law which governs the Securities may adversely affect Securityholders***

The Conditions of the Notes will be governed by English or Singapore law. The Conditions of the Perpetual Securities may be governed by (a) English law (except that the subordination provisions relating to Subordinated Perpetual Securities set out in Condition 3(b) of the Perpetual Securities applicable to the Issuer shall be governed by and construed in accordance with Singapore law) or (b) Singapore law. No assurance can be given as to the impact of any possible judicial decision or change to English law or Singapore law, as applicable, or administrative practice after the date of the date of issue of the relevant Tranche of Securities and any such change could adversely impact the value of any Securities affected by it.

#### ***The Securities are not secured***

The Securities and Coupons of all Series constitute direct, unconditional, unsubordinated (except in the case of Subordinated Perpetual Securities and the Coupons relating thereto) 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. The Subordinated Perpetual Securities and Coupons relating thereto 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 (as defined in the Trust Deed) of the Issuer.

Accordingly, on a winding-up or dissolution of the Issuer at any time while any Securities are outstanding, the Securityholders will not have recourse to any specific assets of the Issuer as security for outstanding payment or other obligations under the Securities and/or Coupons owed to the Securityholders and 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 owed to the Securityholders.

#### ***Performance of contractual obligations***

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 transaction documents of the obligations thereunder including the performance by the Issuing and Paying Agent, the CDP Paying Agent, each Transfer Agent, the relevant Registrar and/or the relevant Calculation Agent 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 circumstances, be able to fulfil its obligations to the Securityholders and the Couponholders.

***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(s)***

Securities issued under the Programme may be represented by one or more Global Securities or Global Certificates. Such Global Securities will be deposited with 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(s) will maintain records of the beneficial interests in the Global Securities or 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 Clearing Systems.

While the Securities are represented by one or more Global Securities or Global Certificates, the Issuer will discharge its obligations under the Securities by making payments to or to the order of the relevant Clearing System for distribution to their account holders. A holder of a beneficial interest in a Global Security or Global Certificate must rely on the procedures of the relevant Clearing System(s) to receive payments under the relevant Securities. The Issuer does not have any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Securities or Global Certificates (as the case may be).

Holders of beneficial interests in the Global Securities or 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(s) to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Securities or Global Certificates will not have a direct right under the respective Global Securities or Global Certificates to take enforcement or other action or proceedings against the Issuer in the event of an Event of Default (as defined in the Terms and Conditions of the Notes) or, as the case may be, the Enforcement Event (as defined in the Terms and Conditions of the Perpetual Securities) under the relevant Securities but will have to rely upon their rights under the Trust Deed.

***The regulation and reform of “benchmark” rates of interest and indices may adversely affect the value of Securities linked to or referencing such “benchmarks”***

Reference rates and indices, including interest rate benchmarks, such as the London Interbank Offered Rate (“LIBOR”), which are used to determine the amounts payable under financial instruments or the value of such financial instruments (“Benchmarks”), have, in recent years, been the subject of political and regulatory scrutiny as to how they are created and operated. This has resulted in regulatory reform and changes to existing Benchmarks, with further changes anticipated. These reforms and changes may cause a Benchmark to perform differently than it has done in the past or to be discontinued. Any change in the performance of a Benchmark or its discontinuation, could have a material adverse effect on any Security referencing or linked to such Benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

Specifically, the sustainability of the LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks. On 27 July 2017, the UK Financial Conduct Authority (“FCA”) confirmed that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 and, on 12 July 2018, announced that the LIBOR benchmark may cease to be a regulated benchmark under the UK Benchmarks Regulation (the “FCA Announcements”). Such announcements indicate that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. Subsequent speeches by the Chief Executive of the FCA and other FCA officials emphasised that market participants should not rely on the continued publication of LIBOR after the end of 2021. On 5 March 2021, the FCA announced that (i) the publication of 24 LIBOR settings (as detailed in the FCA announcement) will cease immediately after 31 December 2021, (ii) the publication of the overnight and 12-month U.S. dollar LIBOR settings will cease immediately after 30 June 2023, (iii) immediately after 31 December 2021, the 1-month, 3-month and 6-month sterling LIBOR settings will no longer be representative of the underlying market and economic reality that they are intended to measure and representativeness will not be restored (and the FCA will consult on requiring the ICE Benchmark Administration Limited (the “IBA”) to continue to publish these settings on a synthetic basis, which will no longer be representative of the underlying market and economic reality they are intended to measure, for a further period after end 2021) and (iv) immediately after 30 June 2023, the 1-month, 3-month and 6-month U.S. dollar LIBOR settings will no longer be representative of the underlying market and economic reality that they are intended to measure and representativeness will not be restored (and the FCA will consider the case for using its proposed powers to require IBA to continue publishing these settings

on a synthetic basis, which will no longer be representative of the underlying market and economic reality they are intended to measure, for a further period after end June 2023).

In addition, on 29 November 2017, the Bank of England and the FCA announced that, from January 2018, its Working Group on Sterling Risk-Free Rates has been mandated with implementing a broad-based transition to the Sterling Overnight Index Average (“**SONIA**”) over the next four years across sterling bond, loan and derivative markets, so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021.

The Association of Banks in Singapore (“**ABS**”) and Singapore Foreign Exchange Market Committee (“**SFEMC**”) have also proposed to discontinue SIBOR and to transition from SOR to an alternative interest rate benchmark, which has been identified as SORA.

The Steering Committee for SOR Transition to SORA (“**SC-STTS**”) was established on 30 August 2019 to oversee the industry-wide transition from SOR to SORA. On 11 December 2020, the MAS announced that the SC-STTS’s mandate has been expanded to enable it to oversee the SIBOR-SORA transition, and the SC-STTS has been renamed as the Steering Committee for SOR & SIBOR Transition to SORA. This announcement was made together with the publication of a joint industry response by the ABS, SFEMC, and SC-STTS to the July 2020 consultation on “SIBOR Reform and the Future Landscape for SGD Interest Rate Benchmarks” which outlined plans to discontinue SIBOR by end-2024 and shift towards a SORA-centered interest rate benchmark landscape.

On 31 March 2021, the SC-STTS published a report announcing new industry timelines to cease issuance of SOR derivatives and SIBOR-linked financial products by end-September 2021. The new timelines specify that by end-September 2021: (a) all financial institutions and their customers should cease usage of SOR in new derivatives contracts (with certain exceptions); and (b) all financial institutions and their customers should cease usage of SIBOR in new contracts. SC-STTS also stated that it remains committed to the earlier announced timelines for shifting new cash market use away from SOR and into SORA, namely, that all financial institutions and their customers should, by end-April 2021, cease usage of SOR in new loans and securities that mature after end-2021. The new timelines take into account global and local developments including the plans to discontinue SIBOR by end-2024 and statements from the UK Financial Conduct Authority on the discontinuation of all LIBOR settings by 30 June 2023 (the implication of this is that SOR, which relies on USD LIBOR in its computation, will similarly be discontinued immediately after 30 June 2023 across all tenor settings).

The elimination of any benchmarks, or changes in the manner of administration of any benchmark, could require an adjustment to the Conditions, or result in other consequences, in respect of any Securities linked to such benchmark. Such factors may have the following effects on certain benchmarks:

- (i) discourage market participants from continuing to administer or contribute to the benchmark;
- (ii) trigger changes in the rules or methodologies used in the benchmark; or
- (iii) lead to the disappearance of the benchmark.

Any of the above changes or any other consequential changes as a result of international reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Securities linked to or referencing a benchmark.

The Conditions provide for certain fallback arrangements in the event that a Benchmark Event (as defined in the Conditions) occurs, including if an Original Reference Rate (as defined in the Conditions) ceases to be published for a period of at least five business days or ceases to exist, or if it has become unlawful for the Paying Agent, the Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholder or, as the case may be, Perpetual Securityholder using the Original Reference Rate. Such fallback arrangements include the possibility that the Rate of Interest or, as the case may be, Rate of Distribution could be set by reference to a Successor Rate or an Alternative Rate (both as defined in the Conditions), with or without the application of an adjustment spread and may include amendments to the Conditions to ensure the proper operation of the successor or replacement benchmark, all as determined by the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in the Conditions). An adjustment spread, if applied, could be positive or negative and would be applied with a view to reducing or eliminating, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to investors arising out of the replacement of an Original Reference Rate. However, it may not be possible to determine or apply an adjustment spread and even if an adjustment is applied, such adjustment spread may not be effective to reduce or eliminate economic prejudice to investors. If no adjustment spread can be determined, a Successor Rate or Alternative Rate may nonetheless be used to determine the Rate of Interest or, as the case may be, Rate of Distribution. The use of a Successor Rate or Alternative Rate (including with the application of an adjustment spread) will still result in any Securities linked to or referencing an Original Reference Rate performing differently (which may include

payment of a lower Rate of Interest or, as the case may be, Rate of Distribution) than they would if the Original Reference Rate were to continue to apply in its current form.

If, following the occurrence of a Benchmark Event, no Successor Rate or Alternative Rate is determined, the ultimate fallback for the purposes of calculation of the Rate of Interest or, as the case may be, Rate of Distribution for a particular Interest Period or, as the case may be, Distribution Period may result in the Rate of Interest or, as the case may be, Rate of Distribution for the immediately preceding Interest Period or, as the case may be, Distribution Period being used. If there has not been a first Interest Payment Date or, as the case may be, Distribution Payment Date, the Rate of Interest or, as the case may be, Rate of Distribution, shall be the initial Rate of Interest or, as the case may be, initial Rate of Distribution. This may result in the effective application of a fixed rate for Floating Rate Note or Floating Rate Perpetual Securities or nullification of the reset mechanism for Fixed Rate Perpetual Securities (as applicable) based on the rate which was last observed on the relevant Screen Page. In addition, applying the initial Rate of Interest, or the Rate of Interest applicable as at the immediately preceding Interest Determination Date or the initial Rate of Distribution or the Rate of Distribution applicable as at the immediately preceding Distribution Determination Date, in each case before the occurrence of the Benchmark Event is likely to result in the Securities linked to or referencing the relevant benchmark performing differently (which may include payment of a lower Rate of Interest or, as the case may be, lower Rate of Distribution) than they would do if the relevant benchmark were to continue to apply, or if a Successor Rate or Alternative Rate could be determined. Due to the uncertainty concerning the availability of Successor Rates and Alternative Rates, the involvement of an Independent Adviser and the potential for further regulatory developments there is a risk that the relevant fallback provisions may not operate as intended at the relevant time.

Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Securities linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by any of the international or national reforms and the possible application of the benchmark replacement provisions of Securities in making any investment decision with respect to any Securities linked to or referencing a benchmark.

***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 specified in the applicable Pricing Supplement) 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 (in respect Notes) or distributions (in respect of Perpetual Securities) or to vote or attend meetings of Securityholders) in respect of such Securities.

***The Issuer may be unable to pay interest or distribution on, or redeem, the Securities***

On certain dates, including the occurrence of any early redemption event specified in the applicable Pricing Supplement or otherwise and at maturity of the Securities, the Issuer may, and at maturity, will, be required to pay interest or, as the case may be, distribution on, or redeem, all of the Securities. If such an event were to occur, the Issuer may not have sufficient cash on hand (whether due to a serious decline in net operating cash flows or otherwise) and may not be able to arrange financing to make such payment or redeem the Securities in time, or on acceptable terms, or at all. The ability to make interest or distribution payments or redeem the Securities in such event may also be limited by the terms of other debt instruments. Failure by the Issuer to pay interest or distribution on the Securities or to repay, repurchase or redeem the Securities when due would constitute an event of default or an enforcement event, as applicable, under the relevant Securities, which may also constitute a default under the terms of other indebtedness of the Group.

Further, the ability of the Issuer to make scheduled principal, distribution or interest payments on its indebtedness, including the Securities, and to fund its own growth aspirations, will depend on its future performance and its ability to generate cash, which to a certain extent is subject to general economic, financial, competitive, legislative, legal and regulatory factors, as well as other factors discussed in this section “Risk Factors”, many of which are beyond the control of the Issuer. If the Issuer’s future cash flow from operations and other capital resources are insufficient to pay its debt obligations, including the Securities, or to fund its other liquidity needs, it may be forced to sell assets or attempt to restructure or refinance its existing indebtedness. No assurance can be given that the Issuer would be able to accomplish any of these measures on a timely basis or on satisfactory terms or at all.

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

In certain circumstances (including without limitation the giving of notice to the Issuer pursuant to Condition 10 of the Terms and Conditions of the Notes and the taking of enforcement steps pursuant to Condition 11 of the Terms and Conditions of the Notes or, as the case may be, Condition 9(c) of the Terms and Conditions of the Perpetual Securities), the Trustee may (at its sole discretion) request the Securityholders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes any actions and/or steps and/or institutes proceedings on behalf of Securityholders. The Trustee shall not be obliged to take any such actions and/or steps and/or institute such proceedings if not first indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to any indemnity and/or security and/or pre-funding can be a lengthy process and may impact on when such actions and/or steps can be taken and/or when such proceedings can be instituted. The Trustee may not be able to take such actions and/or steps and/or institute such proceedings notwithstanding the provision of an indemnity and/or security and/or pre-funding to it in breach of the terms of the Trust Deed constituting the Securities and in such circumstances, or where there is uncertainty or dispute as to the applicable laws or regulations, to the extent permitted by the agreements and the applicable law, it will be for the Securityholders to take such actions and/or steps and/or institute such proceedings directly.

**Additional Risks Relating to the Perpetual Securities**

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

The Issuer may issue Perpetual Securities under the Programme. The Perpetual Securities are perpetual and 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 applicable 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 Distribution Deferral is specified in the applicable Pricing Supplement, the Issuer may, at its sole discretion, elect not to pay any scheduled distribution on the Perpetual Securities in whole or in part for any period of time. The Issuer is subject to certain restrictions in relation to the declaration or payment of distributions on its Junior Obligations and (except on a *pro rata* basis) its Parity Obligations and the redemption and repurchase of its Junior Obligations and (except on a *pro rata* basis) its Parity Obligations in the event that it does not pay a distribution in whole or in part.

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

The Perpetual Securities are perpetual securities and have no fixed final redemption date. If specified in the applicable Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer on certain date(s) specified in the applicable Pricing Supplement at their Redemption Amount stated in the applicable Pricing Supplement) together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption. In addition, if specified on the applicable 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 “*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 is limited to circumstances where payment has become due and the Issuer fails to make the payment when due. The only remedy against the Issuer available 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 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 senior to the holders of all Junior Obligations and *pari passu* with the holders of all Parity Obligations, but junior to the claims of all other creditors, including, for the avoidance of doubt, the holders of 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.

### ***Singapore tax treatment of 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 or that distribution payments made under the Relevant Tranche of the Perpetual Securities will be regarded as interest payable on indebtedness 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 “*Taxation – Singapore Taxation*”) would apply to the Relevant Tranche of the Perpetual Securities. If the Relevant Tranche of the Perpetual Securities is not regarded as debt securities or the distribution payments made under the Relevant Tranche of the Perpetual Securities are not regarded as interest payable on indebtedness 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 Relating to the Structure of a Particular Issue of Securities**

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

#### ***Securities subject to optional redemption by the Issuer may have a lower market value than Securities that cannot be redeemed***

Unless in the case of any particular Tranche of Securities the applicable Pricing Supplement specifies otherwise, in the event that the Issuer would be obliged to increase the amounts payable in respect of any Securities due to any 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 Singapore or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Securities in accordance with the Conditions.

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

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

#### ***The market price of variable rate Securities with a multiplier or other leverage factor may be volatile***

Securities with variable interest rates can be volatile securities. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include such features.

#### ***Inverse floating rate Securities are typically more volatile than conventional floating rate debt***

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

#### ***Securities carrying an interest or distribution rate which may be converted from fixed to floating interest or distribution rates and vice-versa, may have lower market values than other Securities***

Fixed/floating rate Securities may bear interest or confer right to receive distributions at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer’s ability to convert the interest or distribution rate will affect the secondary market and the market value of such Securities since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the fixed/floating rate Securities may be less favourable than then prevailing spreads on comparable floating rate Securities tied to the

same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Securities. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Securities.

***The market prices of Securities issued at a substantial discount or premium tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities***

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

**Risks Relating to the Market Generally**

***Securities issued under the Programme have no current active trading market and may trade at a discount to their initial offering price and/or with limited liquidity***

Securities issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Securities which is already issued). If the Securities are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Group. If the Securities are trading at a discount, investors may not be able to receive a favourable price for their Securities, and in some circumstances, investors may not be able to sell their Securities at all or at their fair market value. Although an application has been made for the Securities issued under the Programme to be admitted to listing on the SGX-ST, there is no assurance that such application will be accepted, that any particular Tranche of Securities will be so admitted or that an active trading market will develop. Unlisted series of Securities may also be issued pursuant to the Programme and Securities may also be listed on stock exchanges other than the SGX-ST. In addition, the market for investment grade, crossover grade and unrated debt has been subject to disruptions that have caused volatility in prices of securities similar to the Securities issued under the Programme. Accordingly, there is no assurance as to the development or liquidity of any trading market, or that disruptions will not occur, for any particular Tranche of Securities.

***Exchange rate risks and exchange controls may result in investors receiving less interest, distribution or principal than expected***

The Issuer will pay principal and interest or distribution on the Securities in the currency specified in the applicable Pricing Supplement (the “**Specified Currency**”). This presents certain risks relating to currency conversions if an investor’s financial activities are denominated principally in a currency or currency unit (the “**Investor’s Currency**”) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor’s Currency) and the risk that authorities with jurisdiction over the Investor’s Currency may impose or modify exchange controls. An appreciation in the value of the Investor’s Currency relative to the Specified Currency would decrease (1) the Investor’s Currency equivalent yield on the Securities, (2) the Investor’s Currency equivalent value of the principal payable on the Securities and (3) the Investor’s Currency equivalent market value of the Securities.

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

***The market value of the Securities may fluctuate***

The price and trading volume of the Securities may be highly volatile. Trading prices and volume of the Securities are influenced by numerous factors, including the operating results, business and/or financial condition of the Group, political, economic, financial and any other factors that can affect the capital markets, the industry and/or the Group generally. Adverse economic developments, acts of war and health hazards in countries in which the Group operates in could have a material adverse effect on the Group’s operations, operating results, business, financial position and performance which in turn result in large and sudden changes in the volume and price at which the Securities will trade. There can be no assurance that these developments will not occur in the future.

### ***Developments in other markets may adversely affect the market price of the Securities***

The market price of the Securities may be adversely affected by declines in the international financial markets and world economic conditions. The market for the Securities is, to varying degrees, influenced by economic and market conditions in other markets. Although economic conditions are different in each country, investors' reaction to developments in one country could affect the securities markets and the securities of issuers in other countries, including Singapore. Since the global financial crisis of 2008 and 2009, the international financial markets have experienced significant volatility. If similar developments occur in the international financial markets in the future, the market price of the Securities could be adversely affected.

### ***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.

### ***The credit ratings assigned to the Securities may not reflect all risks***

One or more independent credit rating agencies may assign credit ratings to an issue of Securities. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Securities. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

### ***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 the price of the Securities, resulting in a capital loss for the Securityholders. However, the Securityholders may reinvest the interest payments (in respect of Notes) or the distribution payments (in respect of Perpetual Securities), as applicable, at higher prevailing interest rates. Conversely, when interest rates fall, the price of the Securities 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.

### **Risks Relating to the Renminbi-denominated Securities**

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

### ***Renminbi is not freely convertible and there are significant restrictions on remittance of Renminbi into and outside the PRC***

Renminbi is not freely convertible at present. The PRC government continues to regulate conversion between Renminbi and foreign currencies despite significant reduction in control by it in recent years over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

However, remittance of Renminbi by foreign investors into the PRC for the purposes of capital account items, such as capital contributions, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into the PRC for settlement of capital account items are developing gradually.

Although since 1 October 2016, the Renminbi has been added to the Special Drawing Rights basket created by the International Monetary Fund, there is no assurance that the PRC government will continue to gradually liberalise control over cross-border remittance of Renminbi in the future, that the pilot schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or out of the PRC. In the event that funds cannot be repatriated out of the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Issuer to source Renminbi to finance its obligations under Securities denominated in Renminbi. Each investor should consult its own advisers to obtain a more detailed explanation of how the PRC regulations and rules may affect their investment decisions.

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

As a result of the restrictions by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside of the PRC is limited. While the People's Bank of China ("PBOC") has entered into agreements on the clearing of Renminbi business with financial institutions in a number of financial centres and cities (the "**Renminbi Clearing Banks**") and are in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions (the "**Settlement Arrangements**"), the current size of Renminbi denominated financial assets outside the PRC is limited.

There are restrictions imposed by PBOC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from PBOC. The Renminbi Clearing Banks only have access to onshore liquidity support from PBOC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In such cases, the participating banks will need to source Renminbi from outside the PRC to square such open positions.

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

***Investment in RMB Securities is subject to exchange rate risks***

The value of Renminbi against the U.S. dollar and other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions and by many other factors. Recently, the PBOC implemented changes to the way it calculates the Renminbi's daily mid-point against the U.S. dollar to take into account market-maker quotes before announcing such daily mid-point. This change, and others that may be implemented, may increase the volatility in the value of the Renminbi against foreign currencies. All payments of interest and principal will be made with respect to RMB Securities in Renminbi. As a result, the value of these Renminbi payments may vary in the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against another foreign currency, the value of the investment made by a holder of the RMB Securities in that foreign currency will decline. If an investor measures its investment returns by reference to a currency other than Renminbi, an investment in the RMB Securities entails foreign exchange related risks, including possible significant changes in the value of Renminbi relative to the currency by reference to which the investor measures its investment returns. Depreciation of the Renminbi 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 the investor, 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, transfer to a Renminbi account maintained in an Offshore Renminbi Centre in accordance with the prevailing rules and procedures of the relevant clearing systems or (iii) when RMB Securities are in definitive form, transfer to a Renminbi bank account maintained in an Offshore Renminbi Centre in accordance with prevailing rules and regulations. Other than described in the Conditions, the Issuer cannot be required to make payment by any other means (including in any other currency or in bank notes, by cheque 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, save for the words in italics and subject to completion and amendment and as supplemented or varied in accordance with the provisions of the applicable 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 applicable 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. 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 applicable Pricing Supplement.*

The Notes are issued by Vertex Venture Holdings Ltd (the “**Issuer**”) pursuant to the Trust Deed (as defined below).

The Notes are constituted by a trust deed dated 12 July 2021 (as amended and/or supplemented as at the date of issue of the Notes (the “**Issue Date**”) and from time to time thereafter, the “**Trust Deed**”) made between (1) the Issuer and (2) The Bank of New York Mellon, London Branch (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 Securityholders (as defined below) [as supplemented by the Singapore Supplemental Trust Deed (as amended and/or supplemented as at the Issue Date and from time to time thereafter) dated 12 July 2021 between the Issuer and the Trustee (the “**Singapore Supplemental Trust Deed**”)]<sup>1</sup>.

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 dated 12 July 2021 (as amended and/or supplemented as at the Issue Date and from time to time thereafter, the “**Agency Agreement**”) made between (1) the Issuer, (2) The Bank of New York Mellon, London Branch, as issuing and paying agent in respect of Notes cleared through Euroclear (as defined below) and Clearstream (as defined below) (the “**Issuing and Paying Agent**”, which expression shall include any successor issuing and paying agent appointed from time to time in connection with the Notes), (3) The Bank of New York Mellon, Singapore Branch, as CDP paying agent in respect of Notes cleared through CDP (as defined below) (the “**CDP Paying Agent**”, which expression shall include any successor CDP paying agent appointed from time to time in connection with the Notes and, together with the Issuing and Paying Agent and any other paying agents that may be appointed, the “**Paying Agents**”), (4) The Bank of New York Mellon SA/NV, Dublin Branch, as transfer agent in respect of Notes cleared through Euroclear or Clearstream and The Bank of New York Mellon, Singapore Branch, as transfer agent in respect of Notes cleared through CDP (each a “**Transfer Agent**”, which expression shall include any successor transfer agent appointed from time to time in connection with the Notes and, together with any other transfer agents that may be appointed, the “**Transfer Agents**”), (5) The Bank of New York Mellon SA/NV, Dublin Branch, as registrar in respect of Notes cleared through Euroclear or Clearstream and The Bank of New York Mellon, Singapore Branch, as registrar in respect of Notes cleared through CDP (each in such capacity, the “**Registrar**”, which expression shall include any successor registrar appointed from time to time in connection with the Notes), (6) The Bank of New York Mellon, London Branch (where appointed as contemplated therein), as calculation agent in respect of Notes cleared through Euroclear or Clearstream and The Bank of New York Mellon, Singapore Branch (where appointed as contemplated therein), as calculation agent in respect of Notes cleared through CDP (each in such capacity, the “**Calculation Agent**”, which expression shall include any successor calculation agent appointed from time to time in connection with the Notes) and (7) the Trustee, as trustee in relation to the Notes [as supplemented by the Singapore Supplemental Agency Agreement (as amended and/or supplemented as at the Issue Date and from time to time thereafter) dated 12 July 2021 between the Issuer, the Trustee, the CDP Paying Agent and the other Agents named therein (the “**Singapore Supplemental Agency Agreement**”)]<sup>2</sup>.

The Securityholders 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 these Conditions, all the provisions of the Trust Deed and the applicable Pricing Supplement (as defined in the Trust Deed), and are deemed to have notice of those provisions applicable to them of the Agency Agreement. For the purposes of these Conditions, all references to the Issuing and Paying Agent shall, with respect to a Series of Notes to be held

<sup>1</sup> Include for Notes governed by Singapore law

<sup>2</sup> Include for Notes governed by Singapore law

in the CDP, be deemed to be a reference to the CDP Paying Agent and all such references shall be construed accordingly.

Where the Notes are cleared through CDP, the Securityholders and the Couponholders are entitled to the benefit of the CDP Deed of Covenant dated 12 July 2021 executed by the Issuer by way of deed poll (the “**CDP Deed of Covenant**”).

Copies of the Trust Deed, the CDP Deed of Covenant, the Agency Agreement, the Singapore Supplemental Trust Deed and the Singapore Supplemental Agency Agreement are available for inspection at all reasonable times during normal business hours (being between 9:00 a.m. and 3:00 p.m.) by the Securityholders and the Couponholders at the principal office of the Trustee for the time being (being as at the date of the Trust Deed at One Canada Square, London E14 5AL, United Kingdom) and at the specified office of the Issuing and Paying Agent for the time being, upon prior written request and proof of holding and identity to the satisfaction of the Trustee or, as the case may be, the Issuing and Paying Agent.

## **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 thereon or on the Certificates.
- (ii) This Note is a Fixed Rate Note, a Floating Rate Note, a Variable Rate Note, a Hybrid Note, a Zero Coupon Note, a combination of any of the foregoing or any other type of Note (depending upon the Interest Basis shown on its face), a combination of any of the foregoing or any other type of Note (depending upon the Redemption/Payment 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 Zero Coupon Notes in which case references to interest (other than in relation to default interest referred to in Condition 7(h)), Coupons and Talons 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 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 shall 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.

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 depositary for Euroclear Bank SA/NV (“**Euroclear**”) and/or Clearstream Banking S.A. (“**Clearstream**”) and/or The Central Depository (Pte) Limited (“**CDP**”), each person who is for the time being shown in the records of Euroclear, Clearstream and/or CDP as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by Euroclear, Clearstream and/or CDP as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Issuing and Paying Agent, the CDP Paying Agent, the other Paying Agents, the Calculation Agents, the Registrars, the Transfer Agents and 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 CDP Paying Agent, the other Paying Agents, the Calculation Agents, the Registrars, the other 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 expression “**Securityholder**” and related expressions shall be construed accordingly). Notes which are represented by the Global Security or, as the case may be, the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream and/or CDP. For so long as any of the Notes is represented by a Global Security or a Global Certificate and such Global Security or, as the case may be, Global Certificate is held by CDP, the record date for purposes of determining entitlements to any payment of principal, interest and any other amounts in respect of the Note shall, unless otherwise specified by the Issuer, be the date falling five business days prior to the relevant payment date (or such other date as may be prescribed by CDP).

- (iii) 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 depositary for Euroclear and/or Clearstream, (2) CDP and/or (3) any other clearing system, “**Securityholder**” means 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 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).
- (iv) 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 and the terms of the Agency Agreement, one or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any other 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 other 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 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 and the Trustee, and by the Registrar with the prior written approval of the Trustee. A copy of the current regulations will be made available by the Registrar to any Securityholder following written request and proof of holding and identity satisfactory to the Registrar.

*Transfers of interests in the Notes evidenced by the Global Certificate will be effected in accordance with the rules of the relevant clearing systems.*

- (c) **Exercise of Options or Partial Redemption in Respect of Registered Notes:** In the case of an exercise of the Issuer's or Securityholders' option in respect of, or a partial redemption 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. 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 other 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 Conditions 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(c)) 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 other 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, Sunday or gazetted public holiday) on which banks are open for business in the place of the specified office of the Registrar or the other 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 (i) payment of any stamp, duty, tax or other governmental charges that may be imposed in relation to the registration, transfer, exercise of an option or partial redemption (or the giving of such indemnity and/or security and/or prefunding as the Registrar or the relevant Transfer Agent (as the case may be) may require); (ii) the Registrar or the relevant Transfer Agent (as the case may be) being satisfied in its absolute discretion with the documents of title and identity of the person making the application; and (iii) as the Registrar or the relevant Transfer Agent (as the case may be) being satisfied in its absolute discretion that the regulations concerning transfer of Notes have been complied with).
- (f) **Closed Periods:** No Securityholder 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(b), (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 (subject to Condition 4(a)) 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 Covenants

#### (a) Negative Pledge

So long as any Note or Coupon remains outstanding (as defined in the Trust Deed), the Issuer will not, and will ensure that none of its Principal Subsidiaries will create, or have outstanding, any mortgage, charge, lien, pledge or other security interest ("**Security Interest**"), upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, other than a Permitted Security Interest, 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 Relevant Indebtedness, guarantee or indemnity or such other security as either (i) the Trustee shall in its absolute discretion deem not materially less beneficial to the interest of the Securityholders or

(ii) shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Securityholders.

In these Conditions:

“**Class A RPS**” means the Class A redeemable preference shares in the share capital of the Issuer, as set out in the Constitution of the Issuer;

“**Class B RPS**” means the Class B redeemable preference shares in the share capital of the Issuer, as set out in the Constitution of the Issuer;

“**Permitted Security Interest**” means:

- (i) any Security Interest existing as of the Issue Date;
- (ii) any Security Interest on the undertaking, assets or revenues (including any uncalled capital) of an entity existing at such time the entity becomes a Principal Subsidiary of the Issuer; or
- (iii) any Security Interest on (x) any assets at the time it is acquired by the Issuer or a Principal Subsidiary of the Issuer after the Issue Date or (y) any undertaking, assets or revenues (including any uncalled capital) of any entity at the time the Issuer or any Principal Subsidiary of the Issuer acquires such entity after the Issue Date provided that, in each case (A) such Security Interest was existing at the time of such acquisition and shall not have been created in contemplation of or in connection with such acquisition and (B) the principal amount and maturity of such indebtedness is not increased;

“**Principal Subsidiary**” means any subsidiary of the Issuer whose total assets, as shown by the accounts of such subsidiary (consolidated in the case of a subsidiary which itself has subsidiaries), based upon which the latest audited consolidated accounts of the Issuer have been prepared, are at least 15 per cent. of the total assets of the Issuer 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 of the Issuer or to the Issuer itself (the “**transferee**”) then:

- (i) 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
- (ii) 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 (i) above or which remains or becomes a Principal Subsidiary by virtue of (ii) above shall continue to be a Principal Subsidiary until the date of issue of the first audited consolidated accounts of the Issuer prepared as at a date later than the date of the relevant transfer which show the total assets of the relevant Subsidiary as shown by the accounts of such Subsidiary (consolidated in the case of a Subsidiary which itself has Subsidiaries) based upon which such audited consolidated accounts have been prepared, to be less than 15 per cent. of the total assets of the Issuer, as shown by such audited consolidated accounts. A report by the Auditors (as defined in the Trust Deed), 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. The Trustee shall be entitled to rely on any such report, without further enquiry and without liability to any Noteholder or to any person;

“**Redeemable Preference Shares**” means any outstanding and/or unissued (including, for the avoidance of doubt, any previously issued and redeemed) Class A RPS, Class B RPS and/or, as applicable, other class of redeemable preference shares in the share capital of the Issuer, that has been and/or may be issued to Temasek Holdings (Private) Limited (or its Subsidiary).

“**Relevant 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 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 and, for the avoidance of doubt, shall exclude any Redeemable Preference Shares; and

“**Subsidiary**” means in relation to any company or corporation, any company or corporation:

- (i) which is controlled, directly or indirectly, by the first mentioned company or corporation; or

- (ii) more than half of the issued equity share capital of which is beneficially owned, directly or indirectly, by the first mentioned company or corporation; or
  - (iii) which is a Subsidiary of another Subsidiary of the first mentioned company or corporation,
- and, for these purposes, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

(b) **Financial Covenants**

So long as any Note or Coupon remains outstanding, the Issuer shall ensure that the ratio of Consolidated Total Borrowings to Consolidated Net Worth shall not at any time be more than 1.5:1.

In these Conditions:

**“Consolidated Net Worth”** means the amount (expressed in United States dollars) for the time being, calculated in accordance with generally accepted accounting principles in Singapore, equal to the aggregate of:

- (i) the amount paid up or credited as paid up on the issued share capital of the Issuer; and
- (ii) the amounts standing to the credit of the capital and revenue reserves (including capital redemption reserve fund, revaluation reserves and profit and loss account) of the Group on a consolidated basis,

all as shown in the then latest audited consolidated balance sheet of the Group (including any amount which is accounted for as shareholders’ funds or equity of the Group) but after:

- (A) making such adjustments as may be appropriate in respect of any variation in the issued and paid up share capital and the capital and revenue reserves set out in paragraph (ii) above of the Group since the date of the latest audited consolidated balance sheet of the Group;
- (B) but excluding any sums set aside for future taxation; and
- (C) deducting:
  - (x) an amount equal to any distribution by any member of the Group out of profits earned prior to the date of the latest audited consolidated balance sheet of the Group and which have been declared and approved or paid 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
  - (y) any debit balances on consolidated profit and loss account.

**“Consolidated Total Borrowings”** means in relation to the Group, an amount (expressed in United States dollars) for the time being, calculated on a consolidated basis, in accordance with generally accepted accounting principles in Singapore, equal to the aggregate of:

- (i) bank overdrafts and all other indebtedness in respect of any borrowings maturing within 12 months;
- (ii) 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;
- (iii) the liabilities of the Issuer under the Trust Deed or the Notes;
- (iv) all other indebtedness whatsoever of the Group for borrowed moneys; and
- (v) any redeemable preference shares issued by any member of the Group and which is regarded by generally accepted accounting principles in Singapore as debt or other liability of the Group,

provided that no amount shall be included in the computation of Consolidated Total Borrowings more than once and save for, for the avoidance of doubt, any perpetual securities issued by any member of the Group which is accounted for and recorded under generally accepted accounting principles as equity of the Group;

**“Group”** means the Issuer and its Subsidiaries.

**5 (I) Interest on Fixed Rate Notes**

(a) **Interest Rate and Accrual**

Each Fixed Rate Note bears interest on its outstanding principal amount from (and including) the Interest Commencement Date 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 of that Fixed Rate Note if it is a Bearer Note or, in the case of a Registered Note, the Certificate representing that Fixed Rate Note and subject to the provisions of the Trust Deed, payment of principal 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) 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 specified hereon. The amount of interest payable per Calculation Amount in respect of any 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.

**(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 outstanding principal amount from (and including) 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 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 of that Floating Rate Note if it is a Bearer Note or, in the case of a Registered Note, the Certificate representing that Floating Rate Note and subject to the provisions of the Trust Deed, payment of the principal 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) to the Relevant Date.

- (b) **Rate of Interest for Floating Rate Notes:** The Rate of Interest in respect of Floating Rate Notes for each Interest Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

- (i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (i), “**ISDA Rate**” for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (A) the Floating Rate Option is as specified hereon;
- (B) the Designated Maturity is a period specified hereon; and
- (C) the relevant Reset Date is the first day of that Interest Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (i), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**” and “**Swap Transaction**” have the meanings given to those terms in the ISDA Definitions.

- (ii) Screen Rate Determination for Floating Rate Notes where the Reference Rate is not specified as being SIBOR or SOR

- (A) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (I) the offered quotation; or
- (II) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR or Hong Kong time in the case of HIBOR) or if, at or around that time it is notified that the fixing will be published at 2.30 p.m. (Hong Kong time), then as of 2.30 p.m. (in the case of CNH HIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

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

- (B) If the Relevant Screen Page is not available or if, sub-paragraph (A)(I) above applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (A)(II) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Issuer (or an Independent Adviser) shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks or, if the Reference Rate is HIBOR or CNH HIBOR, the principal Hong Kong office of each of the Reference Banks, to provide the Issuer (or an Independent Adviser) with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), or if the Reference Rate is HIBOR, at approximately 11.00 a.m.

(Hong Kong time) or, if the Reference Rate is CNH HIBOR, at approximately 11.15 a.m. (Hong Kong time) or if, at or around that time it is notified that the fixing will be published at 2.30 p.m. (Hong Kong time), then as of 2.30 p.m. on the Interest Determination Date in question and notify such rates to the Calculation Agent. If two or more of the Reference Banks provide the Issuer (or an Independent Adviser) with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent.

- (C) If sub-paragraph (B) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Issuer (or an Independent Adviser) by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), or if the Reference Rate is HIBOR at approximately 11.00 a.m. (Hong Kong time) or, if the Reference Rate is CNH HIBOR, at approximately 11.15 a.m. (Hong Kong time) or if, at or around that time it is notified that the fixing will be published at 2.30 p.m. (Hong Kong time), then as of 2.30 p.m. on the relevant Interest Determination Date, deposits in the Relevant Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is HIBOR or CNH HIBOR, the Hong Kong inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Issuer (or an Independent Adviser) with such offered rates, the offered rate for deposits in the Relevant Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Relevant Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), or if the Reference Rate is HIBOR at approximately 11.00 a.m. (Hong Kong time) or, if the Reference Rate is CNH HIBOR, at approximately 11.15 a.m. (Hong Kong time) or if, at or around that time it is notified that the fixing will be published at 2.30 p.m. (Hong Kong time), then as of 2.30 p.m. on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Issuer (or an Independent Adviser) it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is HIBOR or CNH HIBOR, the Hong Kong inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period).
- (iii) Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as being SIBOR or SOR
- (A) Each Floating Rate Note where the Reference Rate is specified as being SIBOR (in which case such Note will be a SIBOR Note) or SOR (in which case such Note will be a Swap Rate Note) bears interest at a floating rate determined by reference to a Benchmark as specified hereon or in any case such other Benchmark as specified hereon.
- (B) The Rate of Interest payable from time to time in respect of each Floating Rate Note under this Condition 5(II)(b)(iii) will be determined by the Calculation Agent on the basis of the following provisions:
- (I) in the case of Floating Rate Notes which are SIBOR Notes:
- (aa) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the offered rate for

deposits in Singapore dollars for a period equal to the duration of such Interest Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption “ABS SIBOR FIX — SIBOR AND SWAP OFFER RATES — RATES AT 11.00 A.M. SINGAPORE TIME” and the column headed “SGD SIBOR” (or such other replacement page thereof or such other Relevant Screen Page);

- (bb) if no such rate appears on the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or, if no rate appears, on such other Relevant Screen Page) or if Reuters Screen ABSIRFIX01 page (or such other replacement page thereof or such other Relevant Screen Page) is unavailable for any reason, the Issuer (or an Independent Adviser) will request the principal Singapore offices of each of the Reference Banks to provide the Issuer (or an Independent Adviser) with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Interest Determination Date to prime banks in the Singapore inter-bank market for a period equivalent to the duration of such Interest Period commencing on such Interest Payment Date in an amount comparable to the aggregate nominal amount of the relevant Floating Rate Notes and notify such rates to the Calculation Agent. The Rate of Interest for such Interest Period shall be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of such offered quotations, as determined by the Calculation Agent;
  - (cc) if on any Interest Determination Date, two but not all the Reference Banks provide the Issuer (or an Independent Adviser) with such quotations, the Rate of Interest for the relevant Interest Period shall be determined in accordance with sub-paragraph (bb) above on the basis of the quotations of those Reference Banks providing such quotations; and
  - (dd) if on any Interest Determination Date one only or none of the Reference Banks provides the Issuer (or an Independent Adviser) with such quotations, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Issuer (or an Independent Adviser) at or about the Relevant Time on such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate nominal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate or if on such Interest Determination Date one only or none of the Reference Banks provides the Issuer (or an Independent Adviser) with such quotation, the rate per annum which the Calculation Agent determines to be arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date, *provided that*, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period).
- (II) in the case of Floating Rate Notes which are Swap Rate Notes:
- (aa) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period as being the rate which appears on the Reuters Screen ABSFIX01 Page under the caption “SGD SOR rates as of 11:00 hrs London Time” under the column headed “SGD SOR” (or such replacement page

thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period;

- (bb) if on any Interest Determination Date no such rate is quoted on Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) or Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, such Calculation Agent will determine the Rate of Interest for such Interest Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to the nearest four decimal places)) for a period equal to the duration of such Interest Period published by a recognised industry body selected by the Issuer (or an Independent Adviser) and notified to the Calculation Agent where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as the Issuer (or an Independent Adviser) may select; and
  - (cc) if on any Interest Determination Date such Calculation Agent is otherwise unable to determine the Rate of Interest under paragraphs (aa) and (bb) above, the Rate of Interest shall be determined by such Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number) to (and at the request of) the Issuer (or an Independent Adviser) 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, or if on such day one only or none of the Reference Banks provides the Issuer (or an Independent Adviser) 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 four decimal places) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about 11.00 a.m. (Singapore time) on such Interest Determination Date and notified to the Calculation Agent, *provided that*, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period).
  - (iv) 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.
  - (v) If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Pricing Supplement as being other than LIBOR, EURIBOR, HIBOR, CNH HIBOR, SIBOR or SOR, the Interest Rate in respect of such Notes will be determined as provided in the applicable Pricing Supplement.
  - (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.
- (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 Condition 5(II)(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 this Condition 5(II)(c) 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 sub-paragraph (iv) below of this Condition 5(II)(c), 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 of this sub-paragraph (ii), 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 Calculation Agent pursuant to the Agency Agreement 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 the Issuing and Paying Agent and the Calculation Agent 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 Securityholder at its request.
- (iv) For the purposes of sub-paragraph (ii) above of this Condition 5(II)(c), 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)) or SOR (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).

The Fall Back Rate payable from time to time in respect of each Variable Rate Note will be determined by the Calculation Agent in accordance with the provisions of Condition 5(II)(b) (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 (as defined below) 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:

- (i) in the case of Notes denominated in Singapore dollars, a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks and foreign exchange markets are open for business in Singapore;
- (ii) in the case of Notes denominated in Euro, a day on which the TARGET System is operating;
- (iii) in the case of Notes denominated in Renminbi, (A) if cleared through Euroclear and Clearstream, a day (other than a Saturday or Sunday or gazetted public holiday) on which commercial banks and foreign exchange markets settle payments in Hong Kong or such other location outside the People’s Republic of China as may have been notified by the Issuer to the Issuing and Paying Agent prior to the issue of the Notes and specified in the applicable Pricing Supplement and (B) if cleared through CDP, a day other than a Saturday or Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for business in Singapore; and
- (iv) in the case of Notes denominated in a currency other than Singapore dollars, Euro or Renminbi, a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks and foreign exchange markets are open for business in the principal financial centre for that currency;

“**Calculation Amount**” means the amount specified as such in the applicable Pricing Supplement, 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 on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period, the “**Calculation Period**”):

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

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

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

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

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

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;

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

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

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30; and

- (vii) if “**Actual/Actual — ICMA**” is specified in the applicable Pricing Supplement,
- (A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
- (B) if the Calculation Period is longer than one Determination Period, the sum of:
- (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
- (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

where:

“**Determination Date**” means the date(s) specified as such in the applicable Pricing Supplement or, if none is so specified, the Interest Payment Date(s); and

“**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date;

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

“**Euro-zone**” means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended;

“**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;

“**ISDA Definitions**” means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. (as the same may be updated, amended or supplemented from time to time), unless otherwise specified hereon;

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

“**Rate of Interest**” means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon;

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

“**Reference Rate**” means the rate specified as such hereon;

“**Relevant Currency**” means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated;

“**Relevant Dealer**” means, in respect of any Variable Rate Note, the Dealer party to the Dealer Agreement referred to in the Agency Agreement with whom the Issuer has concluded or is negotiating an agreement for the issue of such Variable Rate Note pursuant to the Dealer 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 Screen Page**” means such page, section, caption, column or other part of a particular information service (including, but not limited to, the Bloomberg agency and 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;

“**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 inter-bank market in the Relevant Financial Centre;

“**Renminbi**” means the lawful currency for the time being of the People’s Republic of China;

“**Singapore dollars**” means the lawful currency for the time being of the Republic of Singapore; and

“**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) 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 Calculation Amount 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 Calculation Amount 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 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) 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 specified hereon 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 Calculation Amount 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 within 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) In this Condition 5(III), 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 and subject to the provisions of the Trust Deed, payment of principal is improperly withheld or refused, in which event interest will continue to accrue (as well as before judgment) at the rate and in the manner provided in this Condition 5(III) 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(g)). 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(g)).

#### **(V) Calculations**

##### **(a) Margin, Maximum/Minimum Rates of Interest and Rounding**

- (i) If any Margin is specified hereon (either (A) generally, or (B) in relation to one or more Interest Periods), an adjustment shall be made to all Rates of Interest, in the case of (A), or the Rates of Interest for the specified Interest Periods, in the case of (B), calculated in accordance with Condition 5(II) above by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin, subject always to the next paragraph.
- (ii) If any Maximum Rate of Interest or Minimum Rate of Interest is specified hereon, then any Rate of Interest shall be subject to such maximum or minimum, as the case may be.
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (A) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (B) all figures shall be rounded to seven significant figures (with halves being rounded up) and (C) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes, “**unit**” means the lowest amount of such currency that is available as legal tender in the country or countries of such currency.

##### **(b) Determination of Rate of Interest and Calculation of Interest Amounts**

The Calculation Agent 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. The determination of any rate or amount and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

**(c) Notification**

The Calculation Agent 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/or the Issuer as soon as possible after their determination but in no event later than the fourth business day thereafter. In the case of Floating Rate Notes, the Issuer will, if it deems necessary, cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to Securityholders 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.

**(d) Determination or Calculation by an Independent Adviser**

If the Calculation Agent does not at any material time determine or calculate the Rate of Interest for an Interest Period or any Interest Amount, the Issuer may appoint an Independent Adviser to do so. If it does so, the Independent Adviser shall apply the provisions of this Condition 5, with any necessary consequential amendments, to the extent that, in its sole 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.

**(e) Calculation Agent 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 a Calculation Agent. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for any Interest Period or to calculate the Interest Amounts, the Issuer will appoint another bank with an office in the Relevant Financial Centre to act as such in its place. The Calculation Agent may not resign from its duties without a successor having been appointed as aforesaid.

**(f) Benchmark Discontinuation**

**(i) Independent Adviser**

Notwithstanding the provisions above in this Condition 5, if a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use commercially reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5(V)(f)(ii) and, in either case, an Adjustment Spread if any (in accordance with Condition 5(V)(f)(iii)) and any Benchmark Amendments (in accordance with Condition 5(V)(f)(iv)). In making such determination, the Independent Adviser appointed pursuant to this Condition 5(V)(f) shall act in good faith and in a commercially reasonable manner as an expert and in consultation with the Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Trustee, the Paying Agents, the Securityholders or the Couponholders for any determination made by it, pursuant to this Condition 5(V)(f).

If (i) the Issuer is unable to appoint an Independent Adviser after using commercially reasonable endeavours; or (ii) the Independent Adviser appointed by it fails to determine a

Successor Rate or an Alternative Rate prior to the date which is 10 business days prior to the relevant Interest Determination Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine a Successor Rate, failing which, an Alternative Rate in accordance with this Condition 5(V)(f)(i) and, in either case, an Adjustment Spread if any (in accordance with Condition 5(V)(e)(iii)) and any Benchmark Amendments (in accordance with Condition 5(V)(e)(iv), provided that if the Issuer is unable to or does not determine a Successor Rate or Alternative Rate prior to the date which is seven business days prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period shall be substituted in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period. For the avoidance of doubt, the proviso in this Condition 5(v)(f)(i) shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in this Condition 5(V)(f).

(ii) Successor Rate or Alternative Rate

If the Independent Adviser or the Issuer (in the circumstances set out in Condition 5(V)(f)(i)) (as the case may be) determines that:

- (A) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall (subject to adjustment as provided in Condition 5(V)(f)(iii)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(V)(f); or
- (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall (subject to adjustment as provided in Condition 5(V)(f)(iii)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(V)(f)).

(iii) Adjustment Spread

If the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 5(V)(f)(i)) (as the case may be) determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as applicable).

(iv) Benchmark Amendments

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 5(V)(f) and the Independent Adviser (in consultation with the Issuer) ) or the Issuer (in the circumstances set out in Condition 5(V)(e)(i)) (as the case may be) determines:

- (A) that amendments to these Conditions, the Trust Deed and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the “**Benchmark Amendments**”); and
- (B) the specific terms of the Benchmark Amendments,

then the Issuer shall, subject to giving notice thereof in accordance with Condition 5(V)(f)(v) without any requirement for the consent or approval of the Trustee or the Securityholders, vary these Conditions, the Trust Deed and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee, the Paying Agents and, where applicable, the Calculation Agent(s) of a certificate signed by two Directors of the Issuer who are also Authorised Signatories of the Issuer pursuant to Condition 5(V)(f)(v), the Trustee, the Paying Agents and, where applicable, the Calculation Agent(s) shall (at the expense of the Issuer), without any requirement for the consent or approval of the Securityholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed supplemental to or amending the Trust Deed and/or the Agency Agreement and/or the Conditions), provided that none of the Trustee, the Paying Agents and, where applicable, the Calculation Agent(s) shall be obliged so to concur if in its opinion doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to it in these Conditions, the Trust Deed and/or the Agency Agreement (including, for the avoidance of doubt, any supplemental trust deed) in any way.

For the avoidance of doubt, the Trustee and the Agents shall, at the direction and expense of the Issuer, effect any such consequential changes or amendments to the Trust Deed, the Agency Agreement and/or these Conditions as may be required in order to give effect to this Condition, provided that such changes or amendments, in the sole opinion of the Trustee or the Agents, as the case may be, do not impose more onerous obligations upon them or expose them to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to Trustee or any of the Agents (as applicable) in the Agency Agreement and/or these Conditions. Securityholders' consent shall not be required in connection with the effecting of the Successor Rate or the Alternative Rate (as applicable) or such other changes, including the execution of any documents or the taking of any steps by the Trustee and/or any of the Agents (if required). Further, none of the Trustee or Agents shall be responsible or liable for any determinations or certifications made by the Issuer or the Independent Adviser with respect to any Successor Rate or Alternative Rate (as applicable) or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard.

In connection with any such variation in accordance with this Condition 5(V)(f)(iv), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(v) Notices, etc.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 5(V)(f) will be notified promptly and at least seven business days prior to the relevant Interest Determination Date by the Issuer to the Trustee, the Paying Agents, the Calculation Agent(s) (if applicable) and, in accordance with Condition 16, the Securityholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Trustee, the Paying Agents and, where applicable, the Calculation Agent(s) of the same, the Issuer shall deliver to the Trustee, the Paying Agents and, where applicable, the Calculation Agent(s) a certificate signed by two Directors of the Issuer who are also Authorised Signatories of the Issuer:

- (A) confirming: (x) that a Benchmark Event has occurred, (y) the Successor Rate or, as the case may be, the Alternative Rate, (z) the applicable Adjustment Spread, and (xx) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 5(V)(f); and
- (B) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

Each of the Trustee, the Calculation Agent(s) and the Paying Agents shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof and to accept the same without verification or investigation. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the ability of the Trustee or the Calculation

Agent(s) or the Paying Agents to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Calculation Agent(s), the Paying Agents and the Securityholders. The Trustee shall be protected and shall have no liability to any Securityholder or any other person for so accepting and relying on any such certificate and opinion.

(vi) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Conditions 5(V)(f)(i), 5(V)(f)(ii), 5(V)(f)(iii) and 5(V)(f)(iv), the Original Reference Rate and the fallback provisions provided for in Condition 5(V)(f)(iii) will continue to apply unless and until a Benchmark Event has occurred.

(vii) Definitions

As used in this Condition 5(V)(f):

“**Adjustment Spread**” means either (i) a spread (which may be positive, negative or zero) or (ii) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (A) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (B) (if no such recommendation has been made, or in the case of an Alternative Rate) the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 5(V)(f)(i)) determines, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate;
- (C) (if the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 5(V)(f)(i)) determines that no such spread is customarily applied) the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 5(V)(f)(i)) determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (D) (if the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 5(V)(f)(i)) determines that no such industry standard is recognised or acknowledged the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 5(V)(e)(i)) (as the case may be) determines to be appropriate;

“**Alternative Rate**” means an alternative benchmark or screen rate which the Independent Adviser or the Issuer (in the circumstances set out in Condition 5(V)(f)(i)) (as the case may be) determines in accordance with Condition 5(V)(f)(ii) is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same currency as the Notes;

“**Benchmark Amendments**” has the meaning given to it in Condition 5(V)(f)(iv);

“**Benchmark Event**” means:

- (A) the Original Reference Rate ceasing to be published for a period of at least five business days or ceasing to exist; or
- (B) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (C) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or

- (D) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes; or
- (E) it has become unlawful for any Paying Agent, the Calculation Agent(s) or the Issuer to calculate any payments due to be made to any Securityholder using the Original Reference Rate,

provided that the Benchmark Event shall be deemed to occur (a) in the case of paragraphs (B), and (C) above, on the date of the cessation of publication of the Original Reference Rate, or the discontinuation of the Original Reference Rate, as the case may be; and (b) in the case of paragraph (D) or the prohibition of use of the Original Reference Rate.

The occurrence of a Benchmark Event shall be determined by the Issuer and promptly notified to the Trustee, the Calculation Agent(s) and the Paying Agents. For the avoidance of doubt, neither the Trustee, the Calculation Agent(s) nor the Paying Agents shall have any responsibility for making such determination and shall have no obligation to monitor whether such an event has occurred;

“**business day**” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the Calculation Agent(s);

“**Independent Adviser**” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise or experience appointed by the Issuer at its own cost under Condition 5(V);

“**Original Reference Rate**” means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes;

“**Relevant Nominating Body**” means, in respect of a benchmark or screen rate (as applicable):

- (A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of:
  - (x) the central bank for the currency to which the benchmark or screen rate (as applicable) relates;
  - (y) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable);
  - (z) a group of the aforementioned central banks or other supervisory authorities; or
  - (xx) the Financial Stability Board or any part thereof; and

“**Successor Rate**” means the rate that the Independent Adviser or the Issuer (in the circumstances set out in Condition 5(V)(f)(i) (as the case may be) determines is a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

## 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 shown on its face on the Maturity Date (“**Redemption Amount**”) (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) Redemption at the Option of the Issuer**

If so provided in the applicable Pricing Supplement, the Issuer may, on giving not less than 30 nor more than 60 days' irrevocable notice to the Securityholders (or such other notice period as may be specified hereon) and in writing to the Trustee and the Issuing and Paying Agent, redeem all or, if so provided, some of the Notes on the date or dates so provided. Any such redemption of Notes shall be at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (as defined in Condition 6(g) below), 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 6(b).

In the case of a partial redemption of the Notes, (i) in the case of Notes represented by Bearer Notes, the notice to Securityholders 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 notified by the Issuer to the Trustee, and (ii) in the case of Notes represented by a Global Security or a Global Certificate, the Notes to be redeemed will be selected in accordance with the rules of the relevant clearing systems, in each case subject to compliance with any applicable laws or other relevant authority requirements. 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.

**(c) Redemption at the Option of Securityholders**

If so provided in the applicable Pricing Supplement, the Issuer shall, at the option of the holder of any Note, upon the holder of such Note giving not less than 30 nor more than 60 days' notice to the Issuer (or such other notice period as may be specified hereon) redeem such Note on the date or dates so provided at its Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (as defined in Condition 6(g) below), 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 unexpired Coupons and unexpired Talons) 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 (an "**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar, any other Transfer Agent or the Issuer (as applicable) within the Securityholders' 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.

**(d) Redemption for Taxation Reasons**

If so provided in the applicable 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 Securityholders (which notice shall be irrevocable) and to the Trustee and the Issuing and Paying Agent in writing, at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (as defined in Condition 6(g) below), together with interest accrued to (but excluding) the date fixed for redemption, if the Issuer satisfies the Trustee immediately prior to the giving of such notice that (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 a Tax Jurisdiction as defined in Condition 8, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made on or after the Issue Date or any other date specified in the applicable 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 Condition 6(d), the Issuer shall deliver or procure that there is delivered to the Issuing and Paying Agent and the Trustee:

- (i) a certificate signed by two Directors of the Issuer who are also Authorised Signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and
- (ii) an opinion of independent tax or legal 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 such Tax Jurisdiction.

The Trustee shall be entitled (but shall not be obliged) to accept and may rely conclusively on such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out in (i) and (ii) of this Condition 6(d) above without further enquiry and without liability to any Securityholder, Couponholder or any other person, in which event the same shall be conclusive and binding on the Securityholders and Couponholders. The Trustee shall be protected and shall have no liability to any Securityholder or any other person for so accepting and relying on any such certificate and opinion.

Upon the expiry of any such notice as is referred to in this Condition 6(d), the Issuer shall be bound to redeem all the Notes in accordance with this Condition 6(d).

References in this Condition 6(d) to “independent tax or legal advisers of recognised standing” are not intended to and shall not in the ordinary course exclude any of the Issuer’s usual tax or legal advisers, or any such adviser who may have tendered professional services to the Issuer in connection with the issue and offering of the Notes.

(e) **Redemption in the case of Minimum Outstanding Amount**

If so provided in the applicable 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 Securityholders (which notice shall be irrevocable) and in writing to the Trustee and the Issuing and Paying Agent, 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, immediately before giving such notice, the aggregate principal amount of the Notes outstanding is less than 10 per cent. of the aggregate principal amount originally issued (including any further Notes issued pursuant to Condition 14 and consolidated and forming a single series with the Notes).

Upon expiry of any such notice as is referred to in this Condition 6(e), the Issuer shall be bound to redeem all the Notes in accordance with this Condition 6(e).

(f) **Purchases**

The Issuer or any of its Subsidiaries may at any time purchase Notes 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 or are in compliance with all relevant laws, regulations and directives.

Notes purchased by the Issuer or any of its Subsidiaries 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 the relevant Subsidiary of the Issuer be held or resold. The Notes so purchased, while held by or on behalf of the Issuer or any of its Subsidiaries, shall not entitle the holder to vote at any meetings of the Securityholders and shall not be deemed to be outstanding for the purposes of calculating any quorum at meetings of the Securityholders or for the purposes of Conditions 10, 11 and 12.

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.

**(g) 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(b) — Condition 6(e) 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 paragraph (iii) below of this Condition 6(g), 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(b) — Condition 6(e) 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 paragraph (ii) above of this Condition 6(g), except that such 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).
- (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 hereon.

**(h) Cancellation**

All Notes purchased by or on behalf of the Issuer or any of the Subsidiaries of the Issuer 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 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 attached thereto or surrendered therewith). Any Notes or Certificates so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

**7 Payments**

**(a) Principal and Interest in respect of Bearer Notes**

Payments of principal and interest (which shall include the Redemption Amount or the Early Redemption Amount as applicable) 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:

- (i) in the case of a currency other than Euro or Renminbi, 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 Euro, by transfer to a Euro account maintained by or on behalf of the holder with a bank in the principal financial centre for Euro; and
- (iii) in the case of Renminbi, by transfer to a Renminbi account maintained by or on behalf of a Securityholder 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:
  - (x) in the case of a currency other than Euro or Renminbi, by transfer to an account maintained by the holder in that currency with, a bank in the principal financial centre for that currency;
  - (y) in the case of Euro, by transfer to a Euro account maintained by or on behalf of the holder with a bank in the principal financial centre for Euro; and
  - (z) in the case of Renminbi, by transfer to a Renminbi account maintained by or on behalf of the Securityholder with a bank in the Offshore Renminbi Centre which processes payments in Renminbi in the Offshore Renminbi Centre.

(c) **Payments subject to Law**

All payments will be subject in all cases to (i) any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 7 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Securityholders or Couponholders in respect of such payments.

(d) **Appointment of Agents**

The Issuing and Paying Agent, the CDP Paying Agent, the Calculation Agents, the Transfer Agents and the Registrars initially appointed by the Issuer and their specified offices are listed below. Each of the Issuing and Paying Agent, the CDP Paying Agent, the other Paying Agents, the Registrars, the Transfer Agents and the Calculation Agents act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Securityholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Issuing and Paying Agent, the CDP Paying Agent, any other Paying Agent, the Calculation Agent, any Transfer Agent and either Registrar and to appoint additional or other Paying Agents, Calculation Agents, Transfer Agents and Registrars, provided that it will at all times maintain (i) an Issuing and Paying Agent, (ii) a Calculation Agent, (iii) a Transfer Agent in relation to Registered Notes, (iv) a CDP Paying Agent in relation to Notes cleared through CDP, (v) a Registrar in relation to Registered Notes and (vi) a Paying Agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that the Global Security(ies) are exchanged for definitive Notes, for so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require.

Notice of any such change or any change of any specified office will promptly be given to the Securityholders in accordance with Condition 16.

Subject to the provisions of the Agency Agreement, the Agency Agreement may be amended by the Issuer, the Issuing and Paying Agent, the CDP Paying Agent, the Calculation Agent, the Transfer Agent, the Registrars and the Trustee, without the consent of the holder of any Note or Coupon, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which all of the Issuer, the Issuing and Paying Agent, the CDP Paying Agent, the Calculation Agent, the Transfer Agent, the Registrars and the Trustee may mutually deem necessary or desirable, provided that in each case such amendment does not, in the opinion of each of the Issuer and the Trustee, adversely affect the interests of the holders of the Notes or the Coupons. Any such amendment shall be binding on the holder of any Note or Coupon.

(e) **Unmatured Coupons and Unexchanged Talons**

- (i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes and Hybrid Notes (during the Fixed Rate Period), such Notes should be surrendered for payment together with all unmaturing 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 unmaturing Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmaturing 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 five 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 applicable Pricing Supplement upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Variable Rate Note or Hybrid Note (during the Floating Rate Period), unmatured 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 unexchanged 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 unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period), 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 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 the location of the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(g) **Non-business Days**

Subject as provided in the applicable 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 (in the case of Bearer Notes) or the Certificates representing 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 Securityholders 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 one 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 or (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 Condition 7(h) shall be calculated on the Day Count Fraction specified hereon 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 any Tax Jurisdiction, 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 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 Note or Coupon presented (or in respect of which the Certificate representing it is presented) for payment:

- (a) **Other connection:** 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 any Tax Jurisdiction, 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 any Tax Jurisdiction); or
- (b) **Presentation of more than 30 days after the Relevant Date:** 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) **Lawful avoidance:** to, or to a third party on behalf of, a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Note (or the Certificate representing it), or Coupon is presented for payment.

For the avoidance of doubt, neither the Issuer nor any other person shall be required to pay any additional amounts or otherwise indemnify a holder for any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code as amended or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement).

As used in these Conditions:

- (i) **“Tax Jurisdiction”** means any jurisdiction under the laws of which the Issuer, or any successor to the Issuer, is organised or in which it is resident for tax purposes, or any political subdivision of such jurisdiction, or any jurisdiction in which the Issuer or any successor to the Issuer is subject to any authority thereof or therein having power to tax; and
- (ii) **“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 Securityholders in accordance with Condition 16 that, upon further presentation of the Note (or relevant 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.

For the avoidance of doubt, neither the Trustee nor any Agent shall be responsible or liable for paying any tax, duty, charges, withholding or other payment referred to in this Condition 8 or for determining whether such amounts are payable or the amount thereof, and none of the Trustee or any of the Agents shall be responsible or liable for (A) determining whether the Issuer or any Securityholder or Couponholder is liable to pay any taxes, duty, charges, withholding or other payment referred to in this Condition; or (B) determining the sufficiency or insufficiency of any amounts so paid. None of the Trustee or the Agents shall be responsible or liable for any failure of the Issuer, any Securityholder or Couponholder, or any other third party to pay such tax, duty, charges, withholding or other payment in any jurisdiction or to provide any notice or information to the Trustee or any Agent that would permit, enable or facilitate the payment of any principal, premium (if any), interest or other amount under or in respect of the Notes without deduction or withholding for or on account of any tax, duty, charge, withholding or other payment imposed by or in any jurisdiction.

## 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 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

## 10 Events of Default

If any of the following events (each an “**Event of Default**”) shall have occurred and is continuing, the Trustee at its discretion may, and if so requested in writing 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 (provided in any such case that the Trustee shall first have been indemnified and/or secured and/or prefunded 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, premium or interest payable under any of the Notes and such default continues for a period of three business days in the case of principal and five business days in the case of interest; or
- (b) the Issuer does not perform or comply with any one or more of its obligations (other than the payment obligation referred to in Condition 10(a)) under the Trust Deed or any of the Notes and the default continues for a period of 30 days after notice from the Trustee to the Issuer requiring the same to be remedied; or
- (c)
  - (i) any other present or future indebtedness of the Issuer or any of its Principal Subsidiaries for or in respect of moneys borrowed or raised becomes 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
  - (ii) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period; or
  - (iii) the Issuer or any of its Principal Subsidiaries fails to pay when due, any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised,

provided that no Event of Default will occur under this Condition 10(c) unless and until the aggregate amount of the indebtedness in respect of which one or more of the events mentioned above in this Condition 10(c) has/have occurred equals or exceeds S\$80,000,000 or its equivalent in other currency or currencies; or

- (d) any of the Issuer or any of its Principal Subsidiaries is (or, or could be is deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of its debts (or of a particular type of), takes any proceeding under any law for the rescheduling, readjustment or deferment of all or a material part of its indebtedness (or of any material 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 in respect of any such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or a material part of (or of a particular type of) such debts of the Issuer or any of its Principal Subsidiaries; or
- (e) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or substantial 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; or
- (f) any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any of its Principal Subsidiaries over all or a substantial part of the property, assets or revenues of the Issuer or any of its Principal Subsidiaries, becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, administrator, manager or other similar person); or
- (g) any order is made or any resolution is passed by any person for the winding-up, termination, dissolution or administration of the Issuer or any of its Principal Subsidiaries, or the Issuer or any of its Principal Subsidiaries shall apply or petition for a winding-up or administration order in respect of itself or ceases or threatens to cease to carry on all or a substantial part of its business or operations (in each case, except (i) for the purposes of a reconstruction, amalgamation, merger,

consolidation or reorganisation on terms approved in writing by the Trustee or by an Extraordinary Resolution of the Securityholders or (ii) in the case of a Principal Subsidiary, whereby the undertaking and assets of the Principal Subsidiary of the Issuer are transferred to or otherwise vested in the another of Subsidiary of the Issuer and in each of (i) and (ii) above, such event does not have a material adverse effect on the ability of the Issuer to perform its obligations under the Trust Deed or the Notes; or

- (h) any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a substantial part of the undertaking, assets and revenues of the Issuer or any of its Principal Subsidiaries or the Issuer shall take any action that prevents or will prevent the Issuer from performing its obligations under the Trust Deed or the Notes, or that the Issuer shall be prevented from exercising normal control over any part of its undertaking, assets and revenues; or
- (i) any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time which is required to be taken, done, fulfilled or performed in order (i) to enable the Issuer lawfully to enter into, exercise its rights under and perform the obligations expressed to be assumed by it under and in respect of the Notes and the Trust Deed, (ii) to ensure that those obligations are legal, valid, binding and enforceable or (iii) to make the Notes, the Coupons and the Trust Deed admissible in evidence in the relevant courts is not taken, done, fulfilled or performed; or
- (j) it is or will become unlawful for the Issuer to perform or comply with any one or more of its material obligations under the Trust Deed or any of the Notes; or
- (k) the Trust Deed 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 (subject to equitable principles and insolvency laws affecting creditors' rights generally); or
- (l) any litigation, arbitration or administrative proceeding against the Issuer or any of its Subsidiaries is current, pending or threatened which individually or in the aggregate (1) would restrain the entry into, the exercise of any of the rights under, and/ or the performance or enforcement of, or compliance with, any of the material obligations of the Issuer under the Trust Deed or any of the Notes, or (2) has or could have a material adverse effect on the Issuer or any of its Subsidiaries; or
- (m) the Issuer or any of its 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; or
- (n) any event occurs which, under the law of any relevant jurisdiction, has an analogous or equivalent effect to any of the events referred to in this Condition 10.

## 11 Enforcement of Rights

At any time after the Notes shall have become due and payable, the Trustee may (but shall not be obliged to), at its discretion and without further notice, take such actions and/or steps and/or institute such proceedings against the Issuer as it may think fit, in each case, to enforce repayment of the Notes, together with accrued interest, but it shall not be bound to take any such actions and/or steps and/or institute such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution of the Securityholders of such Notes or so requested in writing by Securityholders holding not less than 25 per cent. in principal amount of such Notes outstanding and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Securityholder 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 Securityholders and Modifications

- (a) **Meetings of Securityholders:** The Trust Deed contains provisions for convening meetings of Securityholders 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 Securityholders holding not less than 10 per cent. 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 Securityholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the 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 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 Securityholders or the majority required to pass the Extraordinary Resolution, will only be binding if passed at a meeting of the Securityholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

Any application of a Successor Rate, Alternative Rate, an Adjustment Spread or any rate determined in accordance with Condition 5(V)(f), as the case may be, and any related Benchmark Amendments shall not constitute a matter which is required to be approved by an Extraordinary Resolution.

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

- (b) **Modification of the Trust Deed:** The Trustee may (but is not obliged to) agree, without the consent of the Securityholders or Couponholders, to (i) any modification of any of the provisions of 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 any mandatory provision of law or is required by Euroclear, Clearstream, CDP and/or any other clearing system in which the Notes may be held, (ii) any other modification (except as mentioned in the Trust Deed) which is in the opinion of the Trustee not materially prejudicial to the interests of the Securityholders and (iii) any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed, the Agency Agreement or these Conditions 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, unless the Trustee otherwise agrees, such modification, waiver or authorisation shall be notified by the Issuer to the Securityholders as soon as practicable.
- (c) **Substitution:** The Trust Deed contains provisions permitting (but not obliging) the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Securityholders or the Couponholders, to the substitution of the Issuer's successor in business or any Subsidiary of the Issuer or its successor in business, as principal debtor under the Trust Deed and the Notes. An agreement by the Trustee pursuant to such provisions in the Trust Deed shall, if so expressed, release the Issuer (or a previous substitute) from any or all of its obligations under the Trust Deed, the Notes, the Coupons and the Talons.
- (d) **Entitlement of the Trustee:** In connection with the exercise of its functions and/or exercise of its rights, powers and/or discretions (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 Securityholders as a class and shall not have regard to the consequences of such exercise for individual Securityholders or Couponholders.

### 13 Replacement of Notes, Certificates, Coupons and Talons

If a Note, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, 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 Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Securityholders in accordance with Condition 16, on payment by the claimant of the fees and costs 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 Securityholders or Couponholders create and issue further notes having the same terms and conditions as the Notes of any Series in all respects (or in all respects except for the first payment of interest on them) and so that the same shall be consolidated and form a single Series with such Notes. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition 14 and forming a single Series with the Notes.

## **15 Indemnification of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including without limitation provisions relieving it from taking any steps and/or actions and/or instituting any proceedings to enforce its rights under the Trust Deed, the Agency Agreement and/or the Conditions in respect of the Notes and payment, repayment or taking other actions unless first indemnified and/or secured and/or pre-funded to its satisfaction. The Trust Deed also contains a provision entitling the Trustee to enter into business transactions with the Issuer, any Subsidiary of the Issuer or any other person without accounting to the Securityholders or Couponholders for any profit resulting from such transactions.

Neither the Trustee nor any of the Agents shall be responsible for the performance by the Issuer or any other person appointed by the Issuer in relation to the Notes of the duties and obligations on their part expressed in respect of the same and, unless the Trustee or such Agent has express written notice to the contrary, the Trustee and any of the Agents shall be entitled to assume that the same are being duly performed. Neither the Trustee nor any of the Agents shall be liable to any Securityholder or Couponholder, the Issuer or any other person for any loss, costs, charges, liabilities and expenses incurred or suffered by the Issuer or any such other person where the Trustee or such Agent is acting on the instructions or at the direction or the request of the Securityholders.

The Trustee shall be entitled to rely on any direction, request or resolution of Securityholders given by holders of the requisite principal amount of Notes outstanding or passed at a meeting of Securityholders convened and held in accordance with the Trust Deed.

Whenever the Trustee is required or entitled by the terms of the Trust Deed, these Conditions or the Agency Agreement to exercise any discretion or power, take any action, make any decision or give any direction, the Trustee is entitled, prior to its exercising any such discretion or power, taking any such action, making any such decision, or giving any such direction, to seek directions from the Securityholders by way of an Extraordinary Resolution, and the Trustee is not responsible for any loss or liability incurred by any person as a result of any delay in it exercising such discretion or power, taking such action, making such decision, or giving such direction where the Trustee is seeking such directions or the non-exercise of such discretion or power, or not taking any such action or making any such decision or giving any such direction in the absence of any such directions from Securityholders.

Neither the Trustee nor any of the Agents shall be under any obligation to monitor compliance with the provisions of the Trust Deed, the Agency Agreement or these Conditions or to monitor whether an Event of Default has occurred, or may occur and each of them shall be entitled to assume that no such event has occurred until it has actual knowledge or express written notice to the contrary. Neither the Trustee nor any of the Agents shall be responsible or liable to the Issuer, the Securityholders or any other person for any loss arising from any failure to do so.

The Trustee may rely without liability to Securityholders, Couponholders, the Issuer or any other person on any opinion, advice, report or any information obtained from any legal adviser, valuer, accountant (including the auditors for the time being of the Issuer), surveyor, banker, broker, rating agency, auctioneer or other expert or other professional adviser selected by it, whether obtained by the Issuer, the Trustee or otherwise, whether or not addressed to the Trustee, and whether or not the advice, opinion, report or information, or any engagement letter or other related document, contains a monetary or other limit on liability or limits the scope and/or basis of such advice, opinion, report or information. The Trustee and each of its directors, officers, employees and agents will not be responsible to anyone for any liability occasioned by so acting.

Each Securityholder shall be solely responsible for making and continuing to make its own independent appraisal of 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 no Securityholder or any other person shall 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 a Sunday) after the date of mailing. Notwithstanding the foregoing, notices to the holders of Notes 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 and/or CDP, there may be substituted for such publication in such newspapers or announcement through the internet-based submission system operated by the SGX-ST (i) the delivery of the relevant notice to Euroclear, Clearstream and/or (subject to the agreement of CDP) CDP for communication by it to the Securityholders or (ii) in the case of CDP, the recorded delivery of the relevant notice to the persons shown in the latest record received from CDP as holding interests in such Global Security or Global Certificate, except that if the Notes are listed on any stock exchange and the rules of such stock exchange so require, notice will in any event be published in accordance with the preceding paragraphs. Any such notice shall be deemed to have been given to the Securityholders on the day on which the said notice was given to Euroclear, Clearstream and/or CDP or the date of despatch of such notice to the persons shown in the records maintained by CDP.

Notices to be given by any Securityholder pursuant hereto (including to the Issuer) shall be in writing and given by lodging the same with the Issuing and Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) or such other Agent as may be specified in these Conditions. Whilst the Notes are represented by a Global Security or a Global Certificate, such notice may be given by any Securityholder to the Issuing and Paying Agent or, as the case may be, the Registrar or, as the case may be, such other Agent through Euroclear, Clearstream and/or CDP in such manner as the Issuing and Paying Agent or, as the case may be, the Registrar or, as the case may be, such other Agent and Euroclear, Clearstream and/or CDP may approve for this purpose.

Notwithstanding the other provisions of this Condition 16, in any case where the identities and addresses of all the Securityholders are known to the Issuer, notices to such holders may be given individually by mail to such addresses and will be deemed to have been given two days after despatch.

## 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 1999.]<sup>3</sup>

[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.]<sup>4</sup>

## 18 Governing Law and Jurisdiction

- (a) **Governing Law:** The Trust Deed [as supplemented by the Singapore Supplemental Trust Deed]<sup>4</sup>, the Notes, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, [English law]<sup>3</sup> [Singapore law]<sup>3</sup>.
- (b) **Jurisdiction:** The [Courts of England]<sup>3</sup> [Courts of Singapore]<sup>4</sup> 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 (“**Proceedings**”) may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.
- (c) [**Service of Process:** The Issuer has in the Trust Deed irrevocably appointed an agent in England, where applicable, to receive, for it and on its behalf, service of process in any Proceedings in England.]<sup>3</sup>

<sup>3</sup> Include for Notes governed by English law

<sup>4</sup> Include for Notes governed by Singapore law

## TERMS AND CONDITIONS OF THE PERPETUAL SECURITIES

*The following is the text of the terms and conditions which, save for the words in italics and subject to completion and amendment and as supplemented or varied in accordance with the provisions of the applicable 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 applicable 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. 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 applicable Pricing Supplement.*

The Perpetual Securities are issued by Vertex Venture Holdings Ltd (the “**Issuer**”) pursuant to the Trust Deed (as defined below).

The Perpetual Securities are constituted by a trust deed dated 12 July 2021 (as amended and/or supplemented as at the date of issue of the Perpetual Securities (the “**Issue Date**”) and from time to time thereafter, the “**Trust Deed**”) made between (1) the Issuer and (2) The Bank of New York Mellon, London Branch (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) [as supplemented by the Singapore Supplemental Trust Deed (as amended and/or supplemented as at the Issue Date) and from time to time thereafter dated 12 July 2021 between the Issuer and the Trustee (the “**Singapore Supplemental Trust Deed**”)]<sup>1</sup>.

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 dated 12 July 2021 (as amended and/or supplemented as at the Issue Date and from time to time thereafter, the “**Agency Agreement**”) made between (1) the Issuer, (2) The Bank of New York Mellon, London Branch, as issuing and paying agent in respect of Perpetual Securities cleared through Euroclear (as defined below) and Clearstream (as defined below) (the “**Issuing and Paying Agent**”, which expression shall include any successor issuing and paying agent appointed from time to time in connection with the Perpetual Securities), (3) The Bank of New York Mellon, Singapore Branch, as CDP paying agent in respect of Perpetual Securities cleared through CDP (as defined below) (the “**CDP Paying Agent**”, which expression shall include any successor CDP paying agent appointed from time to time in connection with the Perpetual Securities and, together with the Issuing and Paying Agent and any other paying agents that may be appointed, the “**Paying Agents**”), (4) The Bank of New York Mellon SA/NV, Dublin Branch, as transfer agent in respect of Perpetual Securities cleared through Euroclear or Clearstream and The Bank of New York Mellon, Singapore Branch, as transfer agent in respect of Perpetual Securities cleared through CDP (each a “**Transfer Agent**”, which expression shall include any successor transfer agent appointed from time to time in connection with the Perpetual Securities and, together with any other transfer agents that may be appointed, the “**Transfer Agents**”), (5) The Bank of New York Mellon SA/NV, Dublin Branch, as registrar in respect of Perpetual Securities cleared through Euroclear or Clearstream and The Bank of New York Mellon, Singapore Branch, as registrar in respect of Perpetual Securities cleared through CDP (each in such capacity, the “**Registrar**”, which expression shall include any successor registrar appointed from time to time in connection with the Perpetual Securities), (6) The Bank of New York Mellon, London Branch, (where appointed as contemplated therein) as calculation agent in respect of Perpetual Securities cleared through Euroclear or Clearstream and The Bank of New York Mellon, Singapore Branch, (where appointed as contemplated therein) as calculation agent in respect of Perpetual Securities cleared through CDP (each in such capacity, the “**Calculation Agent**”, which expression shall include any successor calculation agent appointed from time to time in connection with the Perpetual Securities) and (7) the Trustee, as trustee in relation to the Perpetual Securities [as supplemented by the Singapore Supplemental Agency Agreement (as amended and/or supplemented as at the Issue Date and from time to time thereafter) dated 12 July 2021 between the Issuer, the Trustee, the CDP Paying Agent and the other Agents named therein (the “**Singapore Supplemental Agency Agreement**”)]<sup>2</sup>.

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

<sup>1</sup> Include for Notes governed by Singapore law

<sup>2</sup> Include for Notes governed by Singapore law

of the provisions of these Conditions, all the provisions of the Trust Deed and the applicable Pricing Supplement (as defined in the Trust Deed), and are deemed to have notice of those provisions applicable to them of the Agency Agreement. For the purposes of these Conditions, all references to the Issuing and Paying Agent shall, with respect to a Series of Perpetual Securities to be held in the CDP, be deemed to be a reference to the CDP Paying Agent and all such references shall be construed accordingly.

Where the Perpetual Securities are cleared through CDP, the Perpetual Securityholders and the Couponholders are entitled to the benefit of the CDP Deed of Covenant dated 12 July 2021 executed by the Issuer by way of deed poll (the “**CDP Deed of Covenant**”).

Copies of the Trust Deed, the CDP Deed of Covenant, the Agency Agreement, the Singapore Supplemental Trust Deed and the Singapore Supplemental Agency Agreement are available for inspection at all reasonable times during normal business hours (being between 9:00 a.m. and 3:00 p.m.) by the Perpetual Securityholders and the Couponholders at the principal office of the Trustee for the time being (being as at the date of the Trust Deed at One Canada Square, London E14 5AL, United Kingdom) and at the specified office of the Issuing and Paying Agent for the time being, upon prior written request and proof of holding and identity to the satisfaction of the Trustee or, as the case may be, the Issuing and Paying Agent.

## **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 thereon or on the Certificates.
- (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 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 shall 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**”) and/or The Central Depository (Pte) Limited (“**CDP**”), each person who is for the time being shown in the records of Euroclear, Clearstream and/or CDP as the holder of a particular principal amount of such Perpetual Securities (in which regard any certificate or other document issued by Euroclear, Clearstream and/or CDP 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 in the case of manifest error) shall be treated by the Issuer, the Issuing and Paying Agent, the CDP Paying Agent, the other Paying Agents, the Calculation Agents, the Registrars, the Transfer Agents and 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, 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 CDP Paying Agent, the other Paying Agents, the Calculation Agents, the Registrars, the other 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 expression “**Perpetual Securityholder**” 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 will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream and/or CDP. For so long as any of the Perpetual Securities is represented by a Global Security or a Global Certificate and such Global Security or, as the case may be, Global Certificate is held by CDP, the record date for purposes of determining entitlements to any payment of principal, interest and any other amounts in respect of the Perpetual Security shall, unless otherwise specified by the Issuer, be the date falling five business days prior to the relevant payment date (or such other date as may be prescribed by CDP).

- (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 depositary for Euroclear and/or Clearstream, (2) CDP and/or (3) any other clearing system, “**Perpetual Securityholder**” means 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 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 and the terms of the Agency Agreement, one or more Registered Perpetual Securities may be transferred upon the surrender (at the specified office of the Registrar or any other 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 other 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 Perpetual Securities and entries on the Register will be made subject to the detailed regulations concerning transfers of Perpetual Securities scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee, and by the Registrar with the prior written approval of the Trustee. A copy of the current regulations will be made available by the Registrar to any Perpetual Securityholder following written request and proof of holding and identity satisfactory to the Registrar.

*Transfers of interests in the Perpetual Securities evidenced by the Global Certificate will be effected in accordance with the rules of the relevant clearing systems.*

- (c) **Exercise of Options or Partial Redemption in Respect of Registered Perpetual Securities:** In the case of an exercise of the Issuer's option in respect of, or a partial redemption 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. 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 other 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 Conditions 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 other 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 public holiday) on which banks are open for business in the place of the specified office of the Registrar or the other 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 (i) payment of any stamp, duty, tax or other governmental charges that may be imposed in relation to the registration, transfer, exercise of an option or partial redemption (or the giving of such indemnity and/or security and/or prefunding as the Registrar or the relevant Transfer Agent (as the case may be) may require); (ii) the Registrar or the relevant Transfer Agent (as the case may be) being satisfied in its absolute discretion with the documents of title and identity of the person making the application; and (iii) as the Registrar or the relevant Transfer Agent (as the case may be) being satisfied in its absolute discretion that the regulations concerning transfer of Perpetual Securities have been complied with).
- (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 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

- (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:

“**Class A RPS**” means the Class A redeemable preference shares in the share capital of the Issuer, as set out in the Constitution of the Issuer;

“**Class B RPS**” means the Class B redeemable preference shares in the share capital of the Issuer, as set out in the Constitution of the Issuer;

“**Parity Obligation**” means:

(i) any instrument or security (including without limitation any preference shares but excluding the Redeemable Preference 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 of the Issuer 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; or

(ii) as otherwise specified in the applicable Pricing Supplement; and

“**Redeemable Preference Shares**” means any outstanding and/or unissued (including, for the avoidance of doubt, any previously issued and redeemed) Class A RPS, Class B RPS and/or, as applicable, other class of redeemable preference shares in the share capital of the Issuer, that has been and/or may be issued to Temasek Holdings (Private) Limited (or its Subsidiary) prior to the issue of the relevant Series of Perpetual Securities.

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

Subject to the insolvency laws of Singapore 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 (x) all claims of senior creditors of the Issuer and (y) all claims of holders of the Redeemable Preference Shares, but at least *pari passu* with all other subordinated obligations of the Issuer that are not expressed by their terms to rank junior to the Subordinated Perpetual Securities and in priority to the claims of shareholders of the Issuer and/or as otherwise specified in the applicable Pricing Supplement.

In these Conditions, “**winding-up**” means bankruptcy, termination, winding-up, liquidation, receivership or similar proceedings.

(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 the winding-up or administration of the Issuer, 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.

## 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 outstanding principal amount from (and including) the Distribution Commencement Date 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 thereof unless, upon due presentation thereof and subject to the provisions of the Trust Deed, payment of principal 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) 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 (as specified in the applicable Pricing Supplement).

#### (c) Calculation of Reset Distribution Rate

The Calculation Agent will, on the second business day prior to each Reset Date, calculate the applicable Reset Distribution Rate payable in respect of each Perpetual Security. The Calculation Agent will cause the applicable Reset Distribution Rate to be notified to the Issuing and Paying Agent, the Trustee, the Registrar and the Issuer as soon as possible after its determination but in no event later than the fourth business day thereafter. All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 4 by the Calculation Agent 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 Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

#### (d) Publication of Relevant Reset Distribution Rate

The Issuer shall cause notice of the then applicable Reset Distribution Rate to be notified to the Perpetual Securityholders in accordance with Condition 14 as soon as possible after determination thereof.

(e) **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 specified in the applicable pricing supplement. The amount of distribution payable per Calculation Amount in respect of any Perpetual Security shall be calculated by multiplying the product of the Distribution Rate and the Calculation Amount, by the Day Count Fraction shown on the Perpetual Security.

(II) **Distribution on Floating Rate Perpetual Securities**

(a) **Distribution Payment Dates**

Each Floating Rate Perpetual Security confers a right to receive distribution on its outstanding principal amount from (and including) 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 (each a “**Distribution Payment Date**”). Such Distribution Payment Date(s) is/are either shown in the applicable pricing supplement as Specified Distribution Payment Date(s) or, if no Specified Distribution Payment Date(s) is/are shown in the applicable pricing supplement, Distribution Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Distribution Period on the face of the Perpetual Security 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 of that Floating Rate Perpetual Security if it is a Bearer Perpetual Security or, in the case of a Registered Perpetual Security, the Certificate representing that Floating Rate Perpetual Security 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) to the Relevant Date.

- (b) **Distribution Rate for Floating Rate Perpetual Securities:** The Distribution Rate in respect of Floating Rate Perpetual Securities for each Distribution Period shall be determined in the manner specified in the applicable pricing supplement and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the applicable pricing supplement.

(i) **ISDA Determination for Floating Rate Perpetual Securities**

Where ISDA Determination is specified in the applicable pricing supplement as the manner in which the Distribution Rate is to be determined, the Distribution Rate for each Distribution Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (i), “**ISDA Rate**” for a Distribution Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent

under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (A) the Floating Rate Option is as specified in the applicable pricing supplement;
- (B) the Designated Maturity is a period specified in the applicable pricing supplement; and
- (C) the relevant Reset Date is the first day of that Distribution Period unless otherwise specified in the applicable pricing supplement.

For the purposes of this sub-paragraph (i), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**” and “**Swap Transaction**” have the meanings given to those terms in the ISDA Definitions.

- (ii) Screen Rate Determination for Floating Rate Perpetual Securities where the Reference Rate is not specified as being SIBOR or SOR

- (A) Where Screen Rate Determination is specified in the applicable pricing supplement as the manner in which the Distribution Rate is to be determined, the Distribution Rate for each Distribution Period will, subject as provided below, be either:

- (I) the offered quotation; or
- (II) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR or Hong Kong time in the case of HIBOR) or if, at or around that time it is notified that the fixing will be published at 2.30 p.m. (Hong Kong time), then as of 2.30 p.m. (in the case of CNH HIBOR) on the Distribution Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Perpetual Securities is specified in the applicable pricing supplement as being other than LIBOR, EURIBOR, HIBOR or CNH HIBOR, the Distribution Rate in respect of such Perpetual Securities will be determined in accordance with the applicable Pricing Supplement;

- (B) If the Relevant Screen Page is not available or if, sub-paragraph (A)(I) above applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (A)(II) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Issuer (or an Independent Adviser) shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks or, if the Reference Rate is HIBOR or CNH HIBOR, the principal Hong Kong office of each of the Reference Banks, to provide the Issuer (or an Independent Adviser) with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), or if the Reference Rate is HIBOR, at approximately 11.00 a.m. (Hong Kong time) or, if the Reference Rate is CNH HIBOR, at approximately 11.15 a.m. (Hong Kong time) or if, at or around that time it is notified that the fixing will be published at 2.30 p.m. (Hong Kong time), then as of 2.30 p.m., on the Distribution Determination Date in question and notify such rates to the Calculation Agent. If two or more of the Reference Banks provide the Issuer (or an Independent Adviser) with such offered quotations, the Distribution Rate for such Distribution Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent.
- (C) If sub-paragraph (B) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Distribution Rate shall be the arithmetic mean of the rates per annum (expressed as a

percentage) as communicated to (and at the request of) the Issuer (or an Independent Adviser) by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), or if the Reference Rate is HIBOR, at approximately 11.00 a.m. (Hong Kong time) or, if the Reference Rate is CNH HIBOR, at approximately 11.15 a.m. (Hong Kong time) or if, at or around that time it is notified that the fixing will be published at 2.30 p.m. (Hong Kong time), then as of 2.30 p.m., on the relevant Distribution Determination Date, deposits in the Relevant Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is HIBOR or CNH HIBOR, the Hong Kong inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Issuer (or an Independent Adviser) with such offered rates, the offered rate for deposits in the Relevant Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Relevant Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), or if the Reference Rate is HIBOR, at approximately 11.00 a.m. (Hong Kong time) or, if the Reference Rate is CNH HIBOR, at approximately 11.15 a.m. (Hong Kong time) or if, at or around that time it is notified that the fixing will be published at 2.30 p.m. (Hong Kong time), then as of 2.30 p.m., on the relevant Distribution Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Issuer (or an Independent Adviser) it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is HIBOR or CNH HIBOR, the Hong Kong inter-bank market, as the case may be, *provided that*, if the Distribution Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the Distribution Rate shall be determined as at the last preceding Distribution Determination Date (though substituting, where a different Margin or Maximum or Minimum Distribution Rate is to be applied to the relevant Distribution Period from that which applied to the last preceding Distribution Period, the Margin or Maximum Distribution Rate or Minimum Distribution Rate relating to the relevant Distribution Period, in place of the Margin or Maximum Distribution Rate or Minimum Distribution Rate relating to that last preceding Distribution Period).

- (iii) Screen Rate Determination for Floating Rate Perpetual Securities where the Reference Rate is specified as being SIBOR or SOR
  - (A) Each Floating Rate Perpetual Security where the Reference Rate is specified as being SIBOR (in which case such Perpetual Security will be a SIBOR Perpetual Security) or SOR (in which case such Perpetual Security will be a Swap Rate Perpetual Security) confers a right to receive distribution at a floating rate determined by reference to a Benchmark as specified in the applicable pricing supplement or in any case such other Benchmark as specified in the applicable pricing supplement;
  - (B) The Distribution Rate payable from time to time in respect of each Floating Rate Perpetual Security under this Condition 4(II)(b)(iii) will be determined by the Calculation Agent on the basis of the following provisions:
    - (I) in the case of Floating Rate Perpetual Securities which are SIBOR Perpetual Securities:
      - (aa) the Calculation Agent will, at or about the Relevant Time on the relevant Distribution Determination Date in respect of each Distribution Period, determine the Distribution Rate 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 A.M. SINGAPORE TIME” and

the column headed “SGD SIBOR” (or such other replacement page thereof or such other Relevant Screen Page);

- (bb) if no such rate appears on the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or, if no rate appears, on such other Relevant Screen Page) or if Reuters Screen ABSIRFIX01 page (or such other replacement page thereof or such other Relevant Screen Page) is unavailable for any reason, the Issuer (or an Independent Adviser) will request the principal Singapore offices of each of the Reference Banks to provide the Issuer (or an Independent Adviser) with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Distribution Determination Date to prime banks in the Singapore inter-bank market for a period equivalent to the duration of such Distribution Period commencing on such Distribution Payment Date in an amount comparable to the aggregate nominal amount of the relevant Floating Rate Perpetual Securities and notify such rates to the Calculation Agent. The Distribution Rate for such Distribution Period shall be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of such offered quotations, as determined by the Calculation Agent;
  - (cc) if on any Distribution Determination Date two but not all the Reference Banks provide the Issuer (or an Independent Adviser) with such quotations, the Distribution Rate for the relevant Distribution Period shall be determined in accordance with sub-paragraph (bb) above on the basis of the quotations of those Reference Banks providing such quotations; and
  - (dd) if on any Distribution Determination Date one only or none of the Reference Banks provides the Issuer (or an Independent Adviser) with such quotations, the Distribution Rate for the relevant Distribution Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Issuer (or an Independent Adviser) at or about the Relevant Time on such Distribution Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Distribution Period, an amount equal to the aggregate nominal amount of the relevant Floating Rate Perpetual Securities for such Distribution Period by whatever means they determine to be most appropriate or if on such Distribution Determination Date one only or none of the Reference Banks provides the Issuer (or an Independent Adviser) with such quotation, the rate per annum which the Calculation Agent determines to be arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Distribution Determination Date, *provided that*, if the Distribution Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the Distribution Rate shall be determined as at the last preceding Distribution Determination Date (though substituting, where a different Margin or Maximum or Minimum Distribution Rate is to be applied to the relevant Distribution Period from that which applied to the last preceding Distribution Period, the Margin or Maximum Distribution Rate or Minimum Distribution Rate relating to the relevant Distribution Period, in place of the Margin or Maximum Distribution Rate or Minimum Distribution Rate relating to that last preceding Distribution Period); and
- (II) in the case of Floating Rate Perpetual Securities which are Swap Rate Perpetual Securities
- (aa) the Calculation Agent will, at or about the Relevant Time on the relevant Distribution Determination Date in respect of each Distribution Period, determine the Distribution Rate for such Distribution Period as being the rate which appears on the Reuters Screen ABSFIX01 Page under the caption

“SGD SOR rates as of 11:00 hrs London Time” under the column headed “SGD SOR” (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Distribution Determination Date and for a period equal to the duration of such Distribution Period;

- (bb) if on any Distribution Determination Date no such rate is quoted on Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) or Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, such Calculation Agent will determine the Distribution Rate 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 four decimal places)) for a period equal to the duration of such Distribution Period published by a recognised industry body selected by the Issuer (or an Independent Adviser) and notified to the Calculation Agent where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as the Issuer (or an Independent Adviser) may select;
- (cc) if on any Distribution Determination Date such Calculation Agent is otherwise unable to determine the Distribution Rate under paragraphs (aa) and (bb) above, the Distribution Rate shall be determined by such Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number) to (and at the request of) the Issuer (or an Independent Adviser) 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, or if on such day one only or none of the Reference Banks provides the Issuer (or an Independent Adviser) with such quotation, the Distribution Rate for the relevant Distribution Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about 11.00 a.m. (Singapore time) on such Distribution Determination Date and notified to the Calculation Agent, *provided that*, if the Distribution Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the Distribution Rate shall be determined as at the last preceding Distribution Determination Date (though substituting, where a different Margin or Maximum or Minimum Distribution Rate is to be applied to the relevant Distribution Period from that which applied to the last preceding Distribution Period, the Margin or Maximum Distribution Rate or Minimum Distribution Rate relating to the relevant Distribution Period, in place of the Margin or Maximum Distribution Rate or Minimum Distribution Rate relating to that last preceding Distribution Period).
- (iv) 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 Distribution Rate for such Distribution Period.
- (v) If the Reference Rate from time to time in respect of Floating Rate Perpetual Securities is specified in the applicable Pricing Supplement as being other than LIBOR, EURIBOR, HIBOR, CNH HIBOR, SIBOR or SOR, the Distribution Rate in respect of such Perpetual Securities will be determined as provided in the applicable Pricing Supplement.
- (vi) For the avoidance of doubt, in the event that the Distribution Rate in relation to any Distribution Period is less than zero, the Distribution Rate 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:

- (i) in the case of Perpetual Securities denominated in Singapore dollars, a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks and foreign exchange markets are open for business in Singapore;
- (ii) in the case of Perpetual Securities denominated in Euro, a day on which the TARGET System is operating;
- (iii) in the case of Perpetual Securities denominated in Renminbi, (A) if cleared through Euroclear and Clearstream, a day (other than a Saturday or Sunday or gazetted public holiday) on which commercial banks and foreign exchange markets settle payments in Hong Kong or such other location outside the PRC as may have been notified by the Issuer to the Issuing and Paying Agent prior to the issue of the Perpetual Securities and specified in the applicable Pricing Supplement and (B) if cleared through CDP, a day other than a Saturday or Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for business in Singapore; and
- (iv) in the case of Perpetual Securities denominated in a currency other than Singapore dollars, Euro or Renminbi, a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks and foreign exchange markets are open for business in the principal financial centre for that currency;

“**Calculation Amount**” means the amount specified as such in the applicable Pricing Supplement, 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 on any Perpetual Security for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting a Distribution Period, the “Calculation Period”):

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

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

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case **D<sub>1</sub>** will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and **D<sub>1</sub>** is greater than 29, in which case **D<sub>2</sub>** will be 30;

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

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

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case **D<sub>1</sub>** will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case **D<sub>2</sub>** will be 30;

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

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

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case **D<sub>1</sub>** will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case **D<sub>2</sub>** will be 30; and

- (vii) if “**Actual/Actual — ICMA**” is specified in the applicable Pricing Supplement,

(A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(B) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such

Determination Period and (2) the number of Determination Periods normally ending in any year; and

- (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

“**Determination Date**” means the date(s) specified as such in the applicable Pricing Supplement or, if none is so specified, the Distribution Payment Date(s); and

“**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date;

“**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;

“**Distribution Rate**” means the distribution rate payable from time to time in respect of this Perpetual Security and that is either specified or calculated in accordance with the provisions in the applicable pricing supplement;

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

“**Euro-zone**” means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended;

“**ISDA Definitions**” means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. (as the same may be updated, amended or supplemented from time to time), unless otherwise specified in the applicable pricing supplement;

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

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

“**Reference Rate**” means the rate specified as such in the applicable pricing supplement;

“**Relevant Currency**” means the currency specified as such in the applicable pricing supplement or, if none is specified, 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 Screen Page**” means such page, section, caption, column or other part of a particular information service (including, but not limited to, the Bloomberg agency and Reuters) as may be specified in the applicable pricing supplement 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;

“**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 inter-bank market in the Relevant Financial Centre;

“**Renminbi**” means the lawful currency for the time being of the People’s Republic of China;  
“**Singapore dollars**” means the lawful currency for the time being of the Republic of Singapore; and  
“**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

### (III) Calculations

#### (a) **Margin, Maximum/Minimum Distribution Rates and Rounding**

- (i) If any Margin is specified in the applicable pricing supplement (either (A) generally, or (B) in relation to one or more Distribution Periods), an adjustment shall be made to all Distribution Rates, in the case of (A), or the Distribution Rates for the specified Distribution Periods, in the case of (B), calculated in accordance with Condition 4(II) above by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin, subject always to the next paragraph.
- (ii) If any Maximum Distribution Rate or Minimum Distribution Rate is specified in the applicable pricing supplement, then any Distribution Rate shall be subject to such maximum or minimum, as the case may be.
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (A) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (B) all figures shall be rounded to seven significant figures (with halves being rounded up) and (C) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “**unit**” means the lowest amount of such currency that is available as legal tender in the country or countries of such currency.

#### (b) **Determination of Distribution Rate and Calculation of Distribution Amounts**

The Calculation Agent will, as soon as reasonably practicable after the Relevant Time on each Distribution Determination Date determine the Distribution Rate 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 Distribution Rate and the Calculation Amount, by the Day Count Fraction shown on the Perpetual Security. The determination of any rate or amount and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

#### (c) **Notification**

The Calculation Agent will cause the Distribution Rate 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/or the Issuer as soon as possible after their determination but in no event later than the fourth business day thereafter. In the case of Floating Rate Perpetual Securities, the Issuer, if it deems necessary, will also cause the Distribution Rate 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 Distribution Rate 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 Distribution Rate and Distribution Amounts need to be made unless the Trustee requires otherwise.

**(d) Determination or Calculation by the Independent Adviser**

If the Calculation Agent does not at any material time determine or calculate the Distribution Rate for a Distribution Period or any Distribution Amount, the Issuer may appoint an Independent Adviser to do so. If it does so, the Independent Adviser shall apply the provisions of this Condition 4, with any necessary consequential amendments, to the extent that, in its sole 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.

**(e) Calculation Agent and Reference Banks**

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

**(f) Benchmark Discontinuation**

**(i) Independent Adviser**

Notwithstanding the provision above in this Condition 4, if a Benchmark Event occurs in relation to an Original Reference Rate when any Distribution Rate (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use commercially reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4(III)(f)(ii) and, in either case, an Adjustment Spread if any (in accordance with Condition 4(III)(f)(iii)) and any Benchmark Amendments (in accordance with Condition 4(III)(f)(iv)). In making such determination, the Independent Adviser appointed pursuant to this Condition 4(III)(f) shall act in good faith and in a commercially reasonable manner as an expert and in consultation with the Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Trustee, the Paying Agents, the Perpetual Securityholders or the Couponholders for any determination made by it, pursuant to this Condition 4(III)(f)(i).

If (aa) the Issuer is unable to appoint an Independent Adviser after using commercially reasonable endeavours or (bb) the Independent Adviser appointed by it fails to determine a Successor Rate or an Alternative Rate prior to the date which is 10 business days prior to the relevant Interest Determination Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine a Successor Rate, failing which, an Alternative Rate in accordance with this Condition 4(III)(f)(i) and, in either case, an Adjustment Spread if any (in accordance with Condition 4(III)(f)(iii)) and any Benchmark Amendments (in accordance with Condition 4(III)(f)(iv), provided that if the Issuer is unable to or does not determine a Successor Rate or Alternative Rate prior to the date which is seven business days prior to the relevant Distribution Determination Date, the Distribution Rate applicable to the next succeeding Distribution Period shall be equal to the Distribution Rate last determined in relation to the Perpetual Securities in respect of the immediately preceding Distribution Period. If there has not been a first Distribution Payment Date, the Distribution Rate shall be the initial Distribution Rate. Where a different Margin or Maximum Distribution Rate or Minimum Distribution Rate is to be applied to the relevant Distribution Period from that which applied to the last preceding Distribution Period, the Margin or Maximum Distribution Rate or Minimum Distribution Rate relating to the relevant Distribution Period shall be substituted in place of the Margin or Maximum Distribution Rate or Minimum Distribution Rate relating to that last preceding Distribution Period. For the avoidance of doubt, the proviso in this Condition 4(III)(f)(i) shall apply to the relevant next succeeding Distribution Period only and any subsequent Distribution Periods are subject to the subsequent operation of, and to adjustment as provided in this Condition 4(III)(f).

(ii) Successor Rate or Alternative Rate

If the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(III)(f)(i)) (as the case may be) determines that:

- (A) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread and the applicable Adjustment Spread shall (subject to adjustment as provided in Condition 4(III)(f)(iii)) subsequently be used in place of the Original Reference Rate to determine the Distribution Rate (or the relevant component part thereof) for all future payments of distribution on the Perpetual Securities (subject to the operation of this Condition 4(III)(f)); or
- (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall (subject to adjustment as provided in Condition 4(III)(f)(iii)) subsequently be used in place of the Original Reference Rate to determine the Distribution Rate (or the relevant component part thereof) for all future payments of distribution on the Perpetual Securities (subject to the operation of this Condition 4(III)(f)).

(iii) Adjustment Spread

If the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(III)(f)(i)) (as the case may be) determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as applicable).

(iv) Benchmark Amendments

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 4(III)(f) and the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(III)(f)(i)) (as the case may be) determines:

- (A) that amendments to these Conditions, the Trust Deed and/ or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/ or (in either case) the applicable Adjustment Spread (such amendments, the “**Benchmark Amendments**”); and
- (B) the specific terms of the Benchmark Amendments,

then the Issuer shall, subject to giving notice thereof in accordance with Condition 4(III)(f)(v) without any requirement for the consent or approval of the Trustee or the Perpetual Securityholders, vary these Conditions, the Trust Deed and/ or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee, the Paying Agents and, where applicable, the Calculation Agent(s) of a certificate signed by two Directors who are also Authorised Signatories of the Issuer pursuant to Condition 4(III)(f)(v), the Trustee, the Paying Agents and, where applicable, the Calculation Agent(s) shall (at the expense of the Issuer), without any requirement for the consent or approval of the Perpetual Securityholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed supplemental to or amending the Trust Deed and/ or the Agency Agreement and these Conditions), provided that none of the Trustee, the Paying Agents and, where applicable, the Calculation Agent(s) shall be obliged so to concur if in its opinion doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to it in these Conditions, the Trust Deed and/ or the Agency Agreement (including, for the avoidance of doubt, any supplemental trust deed) in any way.

For the avoidance of doubt, the Trustee and the Agents shall, at the direction and expense of the Issuer, effect any such consequential changes or amendments to the Trust Deed, the Agency Agreement and/ or these Conditions as may be required in order to give effect to this Condition, provided that such changes or amendments, in the sole opinion of the Trustee or

the Agents, as the case may be, do not impose more onerous obligations upon them or expose them to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee or any of the Agents (as applicable) in the Agency Agreement and/or these Conditions. The Perpetual Securityholders' consent shall not be required in connection with the effecting of the Successor Rate or the Alternative Rate (as applicable) or such other changes, including the execution of any documents or the taking of any steps by the Trustee and/or any of the Agents (if required). Further, none of the Trustee or any Agents shall be responsible or liable for any determinations or certifications made by the Issuer or the Independent Adviser with respect to any Successor Rate or Alternative Rate (as applicable) or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard.

In connection with any such variation in accordance with this Condition 4(III)(f)(iv), the Issuer shall comply with the rules of any stock exchange on which the Perpetual Securities are for the time being listed or admitted to trading.

(v) Notices, etc.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 4(III)(f) will be notified promptly and at least seven business days prior to the relevant Distribution Determination Date by the Issuer to the Trustee, the Paying Agents, the Calculation Agent(s) (if applicable) and, in accordance with Condition 14, the Perpetual Securityholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Trustee, the Paying Agents and, where applicable, the Calculation Agent(s) of the same, the Issuer shall deliver to the Trustee, the Paying Agents and, where applicable, the Calculation Agent(s) a certificate signed by two Directors of the Issuer who are also Authorised Signatories of the Issuer:

- (A) confirming: (x) that a Benchmark Event has occurred, (y) the Successor Rate or, as the case may be, the Alternative Rate, (z) the applicable Adjustment Spread, and (xx) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 4(III)(f); and
- (B) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

Each of the Trustee, the Calculation Agent(s) and the Paying Agents shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof and to accept the same without verification or investigation. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the ability of the Trustee or the Calculation Agent(s) or the Paying Agents to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Calculation Agent(s), the Paying Agents and the Perpetual Securityholders. The Trustee shall be protected and shall have no liability to any Securityholder or any other person for so accepting and relying on any such certificate and opinion.

(vi) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Conditions 4(III)(f)(i), 4(III)(f)(ii), 4(III)(f)(iii) and 4(III)(f)(iv), the Original Reference Rate and the fallback provisions provided for in Condition 4(III)(f)(iii) will continue to apply unless and until a Benchmark Event has occurred.

(vii) Definitions

As used in this Condition 4(III)(f):

“**Adjustment Spread**” means either (i) a spread (which may be positive, negative or zero) or (ii) a formula or methodology for calculating a spread, in each case to be applied to the

Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (A) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (B) (if no such recommendation has been made, or in the case of an Alternative Rate) the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(III)(f)(i)) determines, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate;
- (C) (if the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(III)(f)(i)) (as the case may be) determines that no such spread is customarily applied) the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(III)(f)(i)) determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (D) (if the Independent Adviser (in consultation with the Issuer) determines that no such industry standard is recognised or acknowledged the Independent Adviser (in consultation with the Issuer);

“**Alternative Rate**” means an alternative benchmark or screen rate which the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(III)(f)(i)) determines in accordance with Condition 4(III)(f)(ii) is customarily applied in international debt capital markets transactions for the purposes of determining rates of distribution (or the relevant component part thereof) for the same distribution period and in the same currency as the Perpetual Securities;

“**Benchmark Amendments**” has the meaning given to it in Condition 4(III)(f)(iv);

“**Benchmark Event**” means:

- (A) the Original Reference Rate ceasing to be published for a period of at least five business days or ceasing to exist; or
- (B) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (C) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or
- (D) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Perpetual Securities; or
- (E) it has become unlawful for any Paying Agent, the Calculation Agent(s) or the Issuer to calculate any payments due to be made to any Perpetual Securityholder using the Original Reference Rate,

provided that the Benchmark Event shall be deemed to occur (a) in the case of paragraphs (B), and (C) above, on the date of the cessation of publication of the Original Reference Rate, or the discontinuation of the Original Reference Rate, as the case may be; and (b) in the case of paragraph (D) or the prohibition of use of the Original Reference Rate.

The occurrence of a Benchmark Event shall be determined by the Issuer and promptly notified to the Trustee, the Calculation Agent(s) and the Paying Agents. For the avoidance of doubt, neither the Trustee, the Calculation Agent(s) nor the Paying Agents shall have any responsibility for making such determination and shall have no obligation to monitor whether such an event has occurred;

“**business day**” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the Calculation Agent(s);

“**Independent Adviser**” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise or experience appointed by the Issuer at its own cost under Condition 4;

“**Original Reference Rate**” means the originally-specified benchmark or screen rate (as applicable) used to determine the Distribution Rate (or any component part thereof) on the Perpetual Securities;

“**Relevant Nominating Body**” means, in respect of a benchmark or screen rate (as applicable):

- (A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of:
  - (x) the central bank for the currency to which the benchmark or screen rate (as applicable) relates;
  - (y) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable);
  - (z) a group of the aforementioned central banks or other supervisory authorities; or
  - (xx) the Financial Stability Board or any part thereof; and

“**Successor Rate**” means the rate that the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(III)(f)(i)) (as the case may be) determines is a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

#### (IV) **Distribution Discretion**

##### (a) **Distribution Deferral**

If Distribution Deferral is set out in the applicable 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 by giving notice (an “**Deferral Election Notice**”) to the Trustee, the Issuing and Paying Agent and the Perpetual Securityholders (in accordance with Condition 14) not more than 20 nor less than five business days (or such other notice period as may be specified in the applicable pricing supplement) prior to a scheduled Distribution Payment Date.

If Dividend Pusher is set out in the applicable pricing supplement, 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, any of the following have occurred:

- (i) a dividend, distribution or other payment has been declared or paid on or in respect of any Junior Obligations or, in the case of Subordinated Perpetual Securities only, (except on a *pro rata* basis) Parity Obligations; or
- (ii) any Junior Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration or, in the case of Subordinated Perpetual Securities only, (except on a *pro rata* basis) Parity Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration; and/or
- (iii) as otherwise specified in the applicable Pricing Supplement,

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 Parity Obligations for Junior Obligations and/or as otherwise specified in the applicable Pricing Supplement (a “**Compulsory Distribution Payment Event**”).

In these Conditions, “**Junior Obligation**” means:

- (i) any of the Issuer’s ordinary shares and any class of its share capital and any other instruments or securities (including without limitation any preference shares or subordinated perpetual securities but excluding the Redeemable Preference Shares) issued, entered into or guaranteed by such Issuer that ranks or is expressed to rank, whether by its terms or by operation of law, junior to the Perpetual Securities; or
- (ii) as otherwise specified in the applicable Pricing Supplement.

Each Deferral Election Notice shall be accompanied, in the case of the notice to the Trustee and the Issuing and Paying Agent, by a certificate signed by two directors of the Issuer who are also Authorised Signatories of the Issuer confirming that no Compulsory Distribution Payment Event has occurred. Any such certificate shall be conclusive evidence that no Compulsory Distribution Payment Event has occurred and the Trustee and the 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 Deferral Election Notice or any certificate as aforementioned. Each Deferral Election Notice shall be conclusive and binding on the Perpetual Securityholders.

(b) **No Obligation to Pay**

If Distribution Deferral is set out in the applicable pricing supplement and subject to Condition 4(IV)(c) and Condition 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 in the applicable pricing supplement, 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 in the applicable pricing supplement, 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 in the applicable 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 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 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 in the applicable 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 this Condition 4(IV), the Issuer shall not:

- (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 Junior Obligations or, in the case of Subordinated Perpetual Securities only, (except on a *pro rata* basis) 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 Junior Obligations or, in the case of Subordinated Perpetual Securities only, (except on a *pro rata* basis) Parity Obligations; and/or
- (iii) as otherwise specified in the applicable Pricing Supplement,

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 Parity Obligations for Junior Obligations, 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.

In these Conditions, “**Subsidiary**” means in relation to any company or corporation, any company or corporation:

- (i) which is controlled, directly or indirectly, by the first mentioned company or corporation; or
- (ii) more than half of the issued equity share capital of which is beneficially owned, directly or indirectly, by the first mentioned company or corporation; or
- (iii) which is a subsidiary of another subsidiary of the first mentioned company or corporation, and, for these purposes, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

**(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, 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 in the applicable pricing supplement) prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Optional Distribution 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:
  - (A) the date of redemption of the Perpetual Securities in accordance with the redemption events set out in Condition 5 (as applicable);
  - (B) the next Distribution Payment Date on the occurrence of a breach of Condition 4(IV)(d) or (if Dividend Pusher is specified as being applicable in the applicable Pricing Supplement) the occurrence of a Compulsory Distribution Payment Event; and

(C) 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.

For the avoidance of doubt, nothing in this Condition 4(IV) shall restrict the issue and/or the redemption by the Issuer of any Redeemable Preference Shares.

## **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 in the applicable Pricing Supplement, the Issuer may, on giving not less than 30 nor more than 60 days' irrevocable notice to the Perpetual Securityholders (or such other notice period as may be specified in the applicable Pricing Supplement) and in writing to the Trustee and the Issuing and Paying Agent, redeem all or, if so provided, some of the Perpetual Securities on the date or dates so provided. Any such redemption of Perpetual Securities shall be 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.

All Perpetual Securities in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 5(b).

In the case of a partial redemption of the Perpetual Securities, (i) in the case of Perpetual Securities represented by definitive 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 notified by the Issuer to the Trustee and (ii) in the case of Perpetual Securities represented by a Global Security or a Global Certificate, the Perpetual Securities to be redeemed will be selected in accordance with the rules of the relevant clearing systems, in each case subject to compliance with any applicable laws or other relevant authority requirements. 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**

If so provided in the applicable 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 in the applicable Pricing Supplement, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable) and in writing to the Trustee and the Issuing and Paying Agent, 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 Arrears of Distribution and any Additional Distribution Amount) will not be regarded as interest payable on indebtedness and/or will not enjoy the tax concessions and exemptions available for “qualifying debt securities” under the ITA; or
- (ii) the Issuer satisfies the Trustee immediately prior to the giving of such notice that (a) 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 a Tax Jurisdiction as defined in Condition 7, 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 applicable Pricing Supplement and (b) 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 or procure that there is delivered to the Issuing and Paying Agent and the Trustee:

- (i) a certificate signed by two Directors of the Issuer who are also Authorised Signatories 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 redemption pursuant to Condition 5(c), an opinion of independent tax or legal 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 a Tax Jurisdiction.

The Trustee shall be entitled (but shall not be obliged) to accept and rely conclusively on such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out in (i) and (ii) of this Condition 5(c) above without further enquiry and without liability to any Perpetual Securityholder, Couponholder or any other person, in which event the same shall be conclusive and binding on the Perpetual Securityholders and Couponholders. The Trustee shall be protected and shall have no liability to any Perpetual Securityholder or any other person for so accepting and relying on any such certificate and opinion.

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

References in this Condition 5(c) to “independent tax or legal advisers of recognised standing” are not intended to and shall not in the ordinary course exclude any of the Issuer’s usual tax or legal advisers, or any such adviser who may have tendered professional services to the Issuer in connection with the issue and offering of the Perpetual Securities.

(d) **Redemption for Accounting Reasons**

If so provided in the applicable 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 in the applicable Pricing Supplement, at any time on giving not less than 30 nor more than 60 days’ notice to the Perpetual Securityholders (which notice shall be irrevocable) and to the Trustee and the Issuing and Paying Agent in writing, 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 after that Distribution Payment Date, as a result of any changes or amendments to the Singapore Financial Reporting Standards (International), as amended from time to time (“**SFRS(I)s**”), the International Financial Reporting Standards, as amended from time to time (“**IFRS**”) or any other accounting standards that may replace SFRS(I) and/or IFRS 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 or procure that there is delivered to the Trustee and the Issuing and Paying Agent:

- (i) a certificate, signed by two Directors of the Issuer who are also Authorised Signatories 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 is due to take effect.

The Trustee shall be protected and shall have no liability to any Perpetual Securityholder or any other person for so accepting and relying on any such certificate and opinion.

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) provided that such date for redemption shall be no earlier than the last day before the date on which the Perpetual Securities must not or must no longer be recorded as “equity” of the Issuer pursuant to the Relevant Accounting Standard.

**(e) Redemption for Tax Deductibility**

If so provided in the applicable 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 in the applicable Pricing Supplement, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable) and in writing to the Trustee and the Issuing and Paying Agent, 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):

- (i) if 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 a Tax Jurisdiction which is enacted, promulgated, issued or becomes effective 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 on or after the Issue Date; or
  - (3) any generally applicable official interpretation or pronouncement (which, for the avoidance of doubt, includes any ruling) 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 was announced before the Issue Date,

payments by the Issuer, which would otherwise have been tax deductible to the Issuer, are no longer, or would in the Distribution Period immediately following that Distribution Payment Date no longer be, fully deductible by the Issuer for income tax purposes in any relevant jurisdiction; or

- (ii) if the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that the Issuer is not entitled to tax deductions for the distributions (including Arrears of Distribution and any Additional Distribution Amount) made, as interest payments, in accordance with Section 14(1) of the ITA (including 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 and the Issuing and Paying Agent:

- (1) a certificate, signed by two Directors of the Issuer who are also Authorised Signatories of the Issuer, stating that the circumstances referred to above prevail and setting out the details of such circumstances; and
- (2) 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 to, interpretation or pronouncement in relation to the tax regime is due to take effect, or in the case of a notice of redemption pursuant to Condition 5(e)(ii), a copy of 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).

References in this Condition 5(e) to “independent tax or legal advisers of recognised standing” are not intended to and shall not in the ordinary course exclude any of the Issuer’s usual tax or legal advisers, or any such adviser who may have tendered professional services to the Issuer in connection with the issue and offering of the Perpetual Securities.

(f) **Redemption in the case of Minimal Outstanding Amount**

If so provided in the applicable 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 in the applicable Pricing Supplement, 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 (including any further Perpetual Securities issued pursuant to Condition 12 and consolidated and forming a single series with the Perpetual Securities).

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

(g) **Redemption upon a Ratings Event**

If so provided in the applicable 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 in the applicable Pricing Supplement, at any time on giving not less than 30 nor more than 60 days’ notice to the Perpetual Securityholders (which notice shall be irrevocable) and in writing to the Trustee and the Issuing and Paying Agent, at their Redemption Amount, (together with distribution (including any Arrears of Distribution and any Additional Distribution Amounts) accrued to (but excluding) the date fixed for redemption), if as of the date fixed for redemption, an amendment, clarification or change has occurred, or will in the Distribution Payment Period immediately following the date fixed for redemption occur, in the equity credit criteria, guidelines or methodology of the Rating Agency (as defined below) specified in the applicable Pricing Supplement (or any other rating agency of equivalent recognised standing requested from time to time by the Issuer to grant a rating to the Issuer or the Perpetual Securities) and in each case, any of their respective successors to the rating business thereof, which amendment, clarification or change results or will result in a lower equity credit for the Perpetual Securities than the equity credit assigned or which would have been assigned on the Issue Date (in the case of such Rating Agency) or assigned at the date when equity credit is assigned for the first time (in the case of any other rating agency), provided that, prior to the publication of any notice of redemption pursuant to this Condition 5(g), the Issuer shall deliver, or procure that there is delivered to the Trustee and the Issuing and Paying Agent a certificate signed by two Directors of the Issuer who are also Authorised Signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting out the details of such circumstances.

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

In this Condition 5(h), “**Rating Agencies**” means (a) Moody’s Investors Service Inc., (b) Fitch, Ratings Inc., and/or (c) Standard & Poor’s Rating Services, and their respective successors and “**Rating Agency**” means any one of them.

(h) **Purchases**

The Issuer or any of its Subsidiaries 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 or are in compliance with all relevant laws, regulations and directives.

Perpetual Securities purchased by the Issuer or any of its Subsidiaries 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 the relevant Subsidiary be held or resold. The Perpetual Securities so purchased, while held by or on behalf of the Issuer or any of its Subsidiaries, shall not entitle the holder to vote at any meetings of the Perpetual Securityholders and shall not be deemed to be outstanding for the

purposes of calculating any quorum at meetings of the Perpetual Securityholders or for the purposes of Conditions 9 and 10.

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 Subsidiaries 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 attached thereto or surrendered therewith). Any Perpetual Securities or Certificates so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Perpetual Securities shall be discharged.

## 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:

- (i) in the case of a currency other than Euro or Renminbi, 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 Euro, by transfer to a Euro account maintained by or on behalf of the holder with a bank in the principal financial centre for Euro; and
- (iii) in the case of Renminbi, by transfer to a Renminbi account maintained by or on behalf of a 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:
  - (x) in the case of a currency other than Euro or Renminbi, by transfer to an account maintained by the payee in that currency with, a bank in the principal financial centre for that currency;
  - (y) in the case of Euro, by transfer to a Euro account maintained by or on behalf of the holder with a bank in the principal financial centre for Euro; and
  - (z) in the case of Renminbi, by 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.

(c) **Payments subject to Law**

All payments will be subject in all cases to (i) any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 7 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto. 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 CDP Paying Agent, the Calculation Agents, the Transfer Agents and the Registrars initially appointed by the Issuer and their specified offices are listed below. Each of the Issuing and Paying Agent, the CDP Paying Agent, the other Paying Agents, the Registrars, the Transfer Agents and the Calculation Agents act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Perpetual Securityholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Issuing and Paying Agent, the CDP Paying Agent, any other Paying Agent, the Calculation Agent, any Transfer Agent and either Registrar and to appoint additional or other Paying Agents, Calculation Agents, Transfer Agents and Registrars, provided that it will at all times maintain (i) an Issuing and Paying Agent, (ii) a Calculation Agent, (iii) a Transfer Agent in relation to Registered Perpetual Securities, (iv) a CDP Paying Agent in relation to Perpetual Securities cleared through CDP, (v) a Registrar in relation to Registered Perpetual Securities and (vi) a Paying Agent in Singapore, where the Perpetual Securities may be presented or surrendered for payment or redemption, in the event that the Global Security(ies) are exchanged for definitive Perpetual Securities, for so long as the Perpetual Securities are listed on the SGX-ST and the rules of the SGX-ST so require.

Notice of any such change or any change of any specified office will promptly be given to the Perpetual Securityholders in accordance with Condition 14.

Subject to the provisions of the Agency Agreement, the Agency Agreement may be amended by the Issuer, the Issuing and Paying Agent, the CDP Paying Agent, the Calculation Agent, the Transfer Agent, the Registrars and the Trustee, without the consent of the holder of any Perpetual Security or Coupon, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which all of the Issuer, the Issuing and Paying Agent, the CDP Paying Agent, the Calculation Agent, the Transfer Agent, the Registrars and the Trustee may mutually deem necessary or desirable, provided that in each case such amendment does not, in the opinion of each of the Issuer and the Trustee, adversely affect the interests of the holders of the Perpetual Securities or the Coupons. Any such amendment shall be binding on the holder of any Perpetual Security or Coupon.

(e) **Unmatured Coupons and Unexchanged Talons**

- (i) Upon the due date for redemption of Bearer Perpetual Securities which comprise Fixed Rate Perpetual Securities, such 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 five 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 applicable 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 the location of the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 8).

(g) **Non-business Days**

Subject as provided in the applicable 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 any Tax Jurisdiction, 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) **Other connection:** 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 any Tax Jurisdiction of the Issuer 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, any Tax Jurisdiction of the Issuer); or
- (b) **Presentation of more than 30 days after the Relevant Date:** 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) **Lawful avoidance:** to, or to a third party on behalf of, a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Perpetual Security (or the Certificate representing it), or Coupon is presented for payment.

For the avoidance of doubt, neither the Issuer nor any other person shall be required to pay any additional amounts or otherwise indemnify a holder for any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code as amended or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement).

As used in these Conditions:

- (i) **“Tax Jurisdiction”** means any jurisdiction under the laws of which the Issuer, or any successor to the Issuer, is organised or in which it is resident for tax purposes, or any political subdivision of such jurisdiction, or any jurisdiction in which the Issuer or any successor to the Issuer is subject to any authority thereof or therein having power to tax; and
- (ii) **“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 relevant 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.

For the avoidance of doubt, neither the Trustee nor any Agent shall be responsible or liable for paying any tax, duty, charges, withholding or other payment referred to in this Condition 7 or for determining whether such amounts are payable or the amount thereof, and none of the Trustee or any of the Agents shall be responsible or liable for (A) determining whether the Issuer or any Perpetual Securityholder or Couponholder is liable to pay any taxes, duty, charges, withholding or other payment referred to in this Condition; or (B) determining the sufficiency or insufficiency of any amounts so paid. None of the Trustee or the Agents shall be responsible or liable for any failure of the Issuer, any Perpetual Securityholder or Couponholder, or any other third party to pay such tax, duty, charges, withholding or other payment in any jurisdiction or to provide any notice or information to the Trustee or any Agent that would permit, enable or facilitate the payment of any principal, premium (if any), interest or other amount under or in respect of the Perpetual Securities without deduction or withholding for or on account of any tax, duty, charge, withholding or other payment imposed by or in any jurisdiction.

## **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 10 years (in the case of principal) or five years (in the case of distributions) from the appropriate Relevant Date in respect of them.

## **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 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 winding-up of the Issuer or (ii) the Issuer fails to make payment of principal or distributions (including any Arrears of Distribution and any Additional Distribution Amount) in respect of the Perpetual Securities when due and such failure continues for a period of more than three business days in the case of principal and five business days in the case of distributions (including any Arrears of Distribution and any Additional Distribution Amount), the Issuer shall be deemed to be in default under the Trust Deed and the Perpetual Securities and the Trustee may, 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 of the Perpetual Securities at their principal amount together with any distributions accrued (including any Arrears of Distribution and any Additional Distribution Amount).

### **(c) Enforcement**

Without prejudice to Condition 9(b) but subject to the provisions of Condition 9(d), the Trustee may without further notice to the Issuer take such actions and/or steps and/or 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 Arrears of Distribution and any Additional Distribution Amount), including any damages awarded for breach of any obligations) and 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 Couponholder**

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, 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.

## 10 Meeting of Perpetual Securityholders and Modifications

- (a) **Meetings of Perpetual Securityholders:** 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 10 per cent. 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 or (g) 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.

Any application of a Successor Rate, Alternative Rate, an Adjustment Spread or any rate determined in accordance with Condition 4(III)(e), as the case may be, and any related Benchmark Amendments shall not constitute a matter which is required to be approved by an Extraordinary Resolution.

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

- (b) **Modification of the Trust Deed:** The Trustee may (but is not obliged to) agree, without the consent of the Perpetual Securityholders or Couponholders, to (i) any modification of any of the provisions of 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 any mandatory provision of law or is required by Euroclear, Clearstream, CDP and/or any other clearing system in which the Perpetual Securities may be held, (ii) any other modification (except as mentioned in the Trust Deed) which is in the opinion of the Trustee not materially prejudicial to the interests of the Perpetual Securityholders and (iii) any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed, the Agency Agreement or these Conditions 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, unless the Trustee otherwise agrees, such modification, waiver or authorisation shall be notified by the Issuer to the Perpetual Securityholders as soon as practicable.

- (c) **Substitution:** The Trust Deed contains provisions permitting (but not obliging) the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Perpetual Securityholders or the Couponholders, to the substitution of the Issuer's successor in business or any Subsidiary of the Issuer or its successor in business as principal debtor under the Trust Deed and the Perpetual Securities. An agreement by the Trustee pursuant to such provisions in the Trust Deed shall, if so expressed, release the Issuer (or a previous substitute) from any or all of its obligations under the Trust Deed, the Perpetual Securities, the Coupons and the Talons.
- (d) **Entitlement of the Trustee:** In connection with the exercise of its functions and/or exercise of its rights, powers and/or discretions (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.

## **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, 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 Transfer Agent, as the case may be, 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 fees and costs 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 having the same terms and conditions as the Perpetual Securities of any Series in all respects (or in all respects except for the first payment of distribution on them) and so that the same shall be consolidated and form a single Series with such Perpetual Securities. References in these Conditions to the Perpetual Securities include (unless the context requires otherwise) any other securities issued pursuant to this Condition 12 and forming a single Series with the Perpetual Securities.

## **13 Indemnification of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including without limitation provisions relieving it from taking any steps and/or actions and/or instituting any proceedings to enforce its rights under the Trust Deed, the Agency Agreement and/or the Conditions in respect of the Perpetual Securities and payment, repayment or taking other actions unless first indemnified and/or secured and/or pre-funded to its satisfaction. The Trust Deed also contains a provision entitling the Trustee to enter into business transactions with the Issuer, any Subsidiary of the Issuer or any other person without accounting to the Perpetual Securityholders or Couponholders for any profit resulting from such transactions.

Neither the Trustee nor any of the Agents shall be responsible for the performance by the Issuer or any other person appointed by the Issuer in relation to the Perpetual Securities of the duties and obligations on their part expressed in respect of the same and, unless the Trustee or such Agent has express written notice to the contrary, the Trustee and any of the Agents shall be entitled to assume that the same are being duly performed. Neither the Trustee nor any of the Agents shall be liable to any Perpetual Securityholder or Couponholder, the Issuer or any other person for any loss, costs, charges, liabilities and expenses incurred or suffered by the Issuer or any such other person where the Trustee or such Agent is acting on the instructions or at the direction or the request of the Perpetual Securityholders.

The Trustee shall be entitled to rely on any direction, request or resolution of Perpetual Securityholders given by holders of the requisite principal amount of Perpetual Securities outstanding or passed at a meeting of Perpetual Securityholders convened and held in accordance with the Trust Deed.

Whenever the Trustee is required or entitled by the terms of the Trust Deed, these Conditions or the Agency Agreement to exercise any discretion or power, take any action, make any decision or give any direction, the Trustee is entitled, prior to its exercising any such discretion or power, taking any such action, making any such decision, or giving any such direction, to seek directions from the Perpetual Securityholders by way of an Extraordinary Resolution, and the Trustee is not responsible for any loss or liability incurred by any person as a result of any delay in it exercising such discretion or power, taking such action, making such decision, or giving such direction where the Trustee is seeking such directions or the non-exercise of such discretion or power, or not taking any such action or making any such decision or giving any such direction in the absence of any such directions from Perpetual Securityholders.

Neither the Trustee nor any of the Agents shall be under any obligation to monitor compliance with the provisions of the Trust Deed, the Agency Agreement or these Conditions. Neither the Trustee nor any of the Agents shall be responsible or liable to the Issuer, the Perpetual Securityholders or any other person for any loss arising from any failure to do so.

The Trustee may rely without liability to Perpetual Securityholders, Couponholders, the Issuer or any other person on any opinion, advice, report or any information obtained from any legal adviser, valuer, accountant (including the auditors for the time being of the Issuer), surveyor, banker, broker, rating agency, auctioneer or other expert or other professional adviser selected by it, whether obtained by the Issuer, the Trustee or otherwise, whether or not addressed to the Trustee, and whether or not the advice, opinion, report or information, or any engagement letter or other related document, contains a monetary or other limit on liability or limits the scope and/or basis of such advice, opinion, report or information. The Trustee and each of its directors, officers, employees and agents will not be responsible to anyone for any liability occasioned by so acting.

Each Perpetual Securityholder shall be solely responsible for making and continuing to make its own independent appraisal of 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 no Perpetual Securityholder or any other person shall 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 a 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 and/or CDP, there may be substituted for such publication in such newspapers or announcement through the internet-based submission system operated by the SGX-ST (i) the delivery of the relevant notice to Euroclear, Clearstream and/or (subject to the agreement of CDP) CDP for communication by it to the Perpetual Securityholders or (ii) in the case of CDP, the recorded delivery of the relevant notice to the persons shown in the latest record received from CDP as holding interests in such Global Security or Global Certificate, except that if the Perpetual Securities are listed on any stock exchange and the rules of such stock exchange so require, notice will in any event be published in accordance with the preceding paragraphs. Any such notice shall be deemed to have been given to the Perpetual Securityholders on the day on which the said notice was given to Euroclear, Clearstream and/or CDP or the date of despatch of such notice to the persons shown in the records maintained by CDP.

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

Notwithstanding the other provisions of this Condition 14, 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 mail to such addresses and will be deemed to have been given two days after dispatch.

## 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 1999.]<sup>3</sup>

[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.]<sup>4</sup>

## 16 Governing Law and Jurisdiction

- (a) **Governing Law:** The Trust Deed [as supplemented by the Singapore Supplemental Trust Deed]<sup>4</sup>, the Perpetual Securities, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, [English law, except that the subordination provisions set out in Condition 3(b) applicable to the Issuer shall be governed by and construed in accordance with the laws of Singapore]<sup>3</sup> [Singapore law]<sup>4</sup>.
- (b) **Jurisdiction:** The [Courts of England]<sup>3</sup> [Courts of Singapore]<sup>4</sup> 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 (“**Proceedings**”) may be brought in such courts. Each of the Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.
- (c) **[Service of Process:** The Issuer has in the Trust Deed irrevocably appointed an agent in England, where applicable, to receive, for it and on its behalf, service of process in any Proceedings in England.]<sup>3</sup>

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<sup>3</sup> Include for Perpetual Securities governed by English law

<sup>4</sup> Include for Perpetual Securities governed by Singapore law

## SUMMARY OF PROVISIONS RELATING TO THE SECURITIES WHILE IN GLOBAL FORM

*Terms used in this section that are not otherwise defined shall have the meanings given to them in the “Terms and Conditions of the Notes” and the “Terms and Conditions of the Perpetual Securities” as applicable.*

### 1 Initial Issue of Securities

Global Securities and Global Certificates may be delivered on or prior to the original issue date of the Tranche to a Common Depositary (as defined hereinafter).

Upon the initial deposit of a Global Security with a common depositary for Euroclear and Clearstream (the “**Common Depositary**”), CDP or registration of Registered Securities in the name of (i) any nominee for the Common Depositary and/or (ii) CDP, the relevant clearing system will credit each subscriber with a principal amount of Securities equal to the principal amount thereof for which it has subscribed and paid.

Securities that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with (if indicated in the applicable Pricing Supplement) other clearing systems through direct or indirect accounts with Euroclear and Clearstream held by such other clearing systems. Conversely, Securities that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream or other clearing systems.

### 2 Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, CDP or any other clearing system (each an “**Alternative Clearing System**”) as the holder of a Security represented by a Global Security or a Global Certificate must look solely to Euroclear, Clearstream, CDP or such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Security or the holder of the underlying Registered Securities, as the case may be, and in relation to all other rights arising under the Global Securities or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, CDP or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Securities for so long as the Securities are represented by such Global Security or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Security or the holder of the underlying Registered Securities, as the case may be, in respect of each amount so paid.

### 3 Exchange

#### 3.1 Temporary Global Securities

Each Temporary Global Security will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- (i) if the applicable Pricing Supplement indicates that such Global Security is issued in compliance with TEFRA C or in a transaction to which TEFRA is not applicable (as to which, see “Summary of the Programme – Selling Restrictions”), in whole, but not in part, for the Definitive Securities defined and described below; and
- (ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a Permanent Global Security or, if so provided in the applicable Pricing Supplement, for Definitive Securities.

#### 3.2 Permanent Global Securities

Each Permanent Global Security will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under paragraph 3.4 below, in part for Definitive Securities:

- (i) if the Permanent Global Security is held on behalf of Euroclear or Clearstream or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so; or

- (ii) if the Permanent Global Security is held by or on behalf of CDP and:
  - (a) an event of default, enforcement event or analogous event entitling the Trustee to declare the Securities to be due and payable as provided in the Conditions has occurred and is continuing;
  - (b) CDP has closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise);
  - (c) CDP has announced an intention to permanently cease business and no alternative clearing system is available; or
  - (d) CDP has notified the Issuer that it is unable or unwilling to act as depository for the Securities and to continue performing its duties as set out in the relevant CDP application form made between the Issuer and CDP and no alternative clearing system is available.

In the event that a Global Security is exchanged for Definitive Securities, such Definitive Securities shall be issued in Denomination Amount(s) only. A Securityholder who holds a principal amount of less than the minimum Denomination Amount will not receive a definitive Note in respect of such holding and would need to purchase a principal amount of Securities such that it holds an amount equal to one or more Denominations Amount(s).

### **3.3 Global Certificates**

If the Pricing Supplement states that the Securities are to be represented by a Global Certificate on issue, the following will apply in respect of transfers of Securities held in Euroclear or Clearstream, CDP or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Securities within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Securities may be withdrawn from the relevant clearing system.

Transfers of the holding of Securities represented by any Global Certificate pursuant to Condition 2(b) of the Notes (in the case of Notes) or Condition 2(b) of the Perpetual Securities (in the case of Perpetual Securities) may only be made:

- (i) if the Global Certificate is cleared through Euroclear and/or Clearstream, if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (ii) if the Global Certificate is cleared through CDP and:
  - (a) an event of default, enforcement event or analogous event entitling the Trustee to declare the Securities to be due and payable as provided in the Conditions has occurred and is continuing; or
  - (b) CDP has closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise); or
  - (c) CDP has announced an intention to permanently cease business and no alternative clearing system is available; or
  - (d) CDP has notified the Issuer that it is unable or unwilling to act as depository for the Securities and to continue performing its duties as set out in the relevant CDP application form made between the Issuer and CDP and no alternative clearing system is available,

provided that, in the case of a transfer pursuant to paragraph 3.3(i) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

### **3.4 Partial Exchange of Permanent Global Securities**

For so long as a Permanent Global Security is held on behalf of a clearing system and the rules of that clearing system permit, such Permanent Global Security will be exchangeable in part on one or more occasions for Definitive Securities if so provided in, and in accordance with, the relevant Conditions.

### **3.5 Delivery of Securities**

On or after any due date for exchange the holder of a Global Security may surrender such Global Security or, in the case of a partial exchange, present it for endorsement to or to the order of the Issuing and Paying Agent. In exchange for any Global Security, or the part thereof to be exchanged,

the Issuer will (i) in the case of a Temporary Global Security exchangeable for a Permanent Global Security, deliver, or procure the delivery of, a Permanent Global Security in an aggregate nominal amount equal to that of the whole or that part of a Temporary Global Security that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a Permanent Global Security to reflect such exchange or (ii) in the case of a Global Security exchangeable for Definitive Securities, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Securities. In this Offering Circular, “**Definitive Securities**” means, in relation to any Global Security, the definitive Bearer Securities for which such Global Security may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest that have not already been paid on the Global Security and a Talon). Definitive Securities will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Trust Deed. On exchange in full of each Permanent Global Security, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Securities.

### **3.6 Exchange Date**

“**Exchange Date**” means, in relation to a Temporary Global Security, the day falling after the expiry of 40 days after its issue date and, in relation to a Permanent Global Security, a day falling not less than 60 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent is located and in the city in which the relevant clearing system is located.

## **4 Amendment to Conditions**

The Temporary Global Securities, Permanent Global Securities and Global Certificates contain provisions that apply to the Securities that they represent, some of which modify the effect of the Conditions set out in this Offering Circular. The following is a summary of certain of those provisions:

### **4.1 Payments**

No payment falling due after the Exchange Date will be made on any Global Security unless exchange for an interest in a Permanent Global Security or for Definitive Securities is improperly withheld or refused. Payments on any Temporary Global Security issued in compliance with TEFRA D before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Securities represented by a Global Security will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Securities, surrender of that Global Security to or to the order of the Issuing and Paying Agent or such other Paying Agent as shall have been notified to the Securityholders for such purpose. A record of each payment so made will be endorsed on each Global Security, which endorsement will be prima facie evidence that such payment has been made in respect of the Securities.

All payments in respect of Securities represented by a Global Certificate (other than a Global Certificate held through CDP) will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date which shall be the Clearing System Business Day immediately prior to the date for payment, where “**Clearing System Business Day**” means Monday to Friday inclusive except 25 December and 1 January.

### **4.2 Meetings**

For the purposes of any meeting of Securityholders, the holder of a Permanent Global Security or of the Securities represented by a Global Certificate shall (unless such Permanent Global Security or Global Certificate represents only one Security) be treated as two persons for the purposes of any quorum requirements of a meeting of Securityholders and, at any such meeting, the holder of a Permanent Global Security or of the Securities represented by a Global Certificate shall be treated as having one vote in respect of each integral currency unit of the relevant Currency of the Securities. All holders of Registered Securities are entitled to one vote in respect of each integral currency unit of the relevant Currency of the Securities comprising such Securityholder’s holding, whether or not represented by a Global Certificate.

### **4.3 Cancellation**

Cancellation of any Security represented by a Permanent Global Security that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the

nominal amount of the relevant Permanent Global Security on its presentation to or to the order of the Issuing and Paying Agent for endorsement in the relevant schedule of such Permanent Global Security or in the case of a Global Certificate, by reduction in the aggregate principal amount of the Certificates in the Register, whereupon the principal amount thereof shall be reduced for all purposes by the amount so cancelled and endorsed.

#### **4.4 Purchase**

Securities represented by a Permanent Global Security may only be purchased by the Issuer or any Subsidiaries of the Issuer if they are purchased together with the rights to receive all future payments of interest and distributions, as applicable, thereon.

#### **4.5 Issuer's Option**

Any option of the Issuer provided for in the Conditions while such Securities are represented by a Permanent Global Security shall be exercised by the Issuer giving notice to the Securityholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Securities drawn in the case of a partial exercise of an option and accordingly no drawing of Securities shall be required.

In the event of a partial redemption of Securities of any Series, Securities will be redeemed *pro rata* and the Calculation Amount of the Securities shall be determined in accordance with the standard procedures of Euroclear and Clearstream or CDP or any other clearing system (as the case may be) and the rights of accountholders with a clearing system in respect of the Securities will be governed by the standard procedures of such clearing system.

#### **4.6 Securityholders' Options**

Any option of the Securityholders provided for in the Conditions while such Securities are represented by a Permanent Global Security may be exercised by the holder of the Permanent Global Security giving notice to the Issuing and Paying Agent within the time limits relating to the deposit of the Securities with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Securities in respect of which the option has been exercised and the option may be exercised in respect of the whole or any part of such Permanent Global Security, and stating the principal amount of the Securities in respect of which the option is exercised and at the same time presenting the Permanent Global Security to the Issuing and Paying Agent, or to a Paying Agent acting on behalf of the Issuing and Paying Agent, for notation.

#### **4.7 Trustee's Powers**

In considering the interests of Securityholders while any Global Security is held on behalf of, or Registered Securities are registered in the name of any nominee for, a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Security or Registered Securities and may consider such interests as if such accountholders were the holders of the Securities represented by such Global Security or Global Certificate.

#### **4.8 Notices**

So long as any Securities are represented by a Global Security or a Global Certificate and such Global Security or Global Certificate is held on behalf of:

- (i) Euroclear and/or Clearstream or any other clearing system (except as provided in (ii) below of this paragraph 4.8), notices to the holders of Securities of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Security or Global Certificate; or
- (ii) CDP, subject to the agreement of CDP, notices to the holders of Securities of that Series may be given by delivery of the relevant notice to CDP for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Security or Global Certificate.

## **USE OF PROCEEDS**

The net proceeds arising from the issue of Securities under the Programme (after deducting issue expenses) will be used for the refinancing of existing borrowings, redemption of any redeemable preference shares in the share capital of the Issuer, financing of investments (including, without limitation, any existing or new fund commitments or new investments (directly or indirectly held)), general working capital and general corporate purposes, or as otherwise specified in the applicable Pricing Supplement in relation to a particular issuance of Securities under the Programme.

## CAPITALISATION AND INDEBTEDNESS

This table should be read in conjunction with the consolidated financial statements and related notes appearing elsewhere in this Offering Circular.

	As at 31 December 2020 <i>(U.S.\$'000)</i>
<b>Short-Term Borrowings (repayable within one year)</b>	
Short-term bank borrowings . . . . .	99,000
Current portion of debt securities . . . . .	—
<b>Total short-term borrowings</b> . . . . .	<b>99,000</b>
<b>Long-Term Borrowings (repayable after one year)</b>	
Bank borrowings . . . . .	—
Debt securities . . . . .	40,700
<b>Total long-term borrowings</b> . . . . .	<b>40,700</b>
<b>Total Borrowings<sup>(1)</sup></b> . . . . .	<b>139,700</b>
<b>Total Equity<sup>(2)</sup></b>	
Share capital . . . . .	464,911
Merger reserve . . . . .	12,819
Foreign currency translation reserve . . . . .	6,965
Retained earnings . . . . .	865,157
<b>Equity attributable to owners of the Issuer</b> . . . . .	<b>1,349,852</b>
<b>Non-controlling Interests</b> . . . . .	<b>90,343</b>
<b>Total capitalisation<sup>(3)</sup></b> . . . . .	<b>1,440,195</b>
<b>Total capitalisation<sup>(3)</sup> and indebtedness</b> . . . . .	<b>1,579,895</b>

Notes:

- (1) There were repayments of short-term bank borrowings of U.S.\$49,000,000 in the first quarter of 2021 and U.S.\$15,000,000 Class B RPS was issued in April 2021.
- (2) There was a redemption of U.S.\$75,000,000 Class A RPS in February 2021 and U.S.\$50,000,000 Class A RPS was issued in June 2021.
- (3) Translated using the historical rates of S\$/U.S.\$ on respective issuance dates, giving effect to rounding, where applicable.

## DESCRIPTION OF THE ISSUER AND THE GROUP

### OVERVIEW

Vertex Venture Holdings Ltd (“**Vertex**”) is a Singapore-based venture capital investment holding company, which provides anchor funding and operational support to a proprietary global network of venture capital funds.

The term “**venture capital**” includes investments in start-up ventures or companies which are usually less mature and, in certain cases, still loss making. Venture capital investments can be further subdivided into the following stages:

- “Seed” or “Angel” stage investments;
- “Early” stage investments; and
- “Late” or “Growth” stage investments.

These venture capital funds, in turn, invest in promising, disruptively transformational start-ups at different stages of their evolution.

The key operational statistics of Vertex as at the date of this Offering Circular are set out below:

- total AUM in excess of U.S.\$4.5 billion (increased from U.S.\$0.20 billion in 2008). About half of this is funded by Temasek, with increasingly more money raised from third party investors located globally, primarily financial institutions, pension funds, corporates and family offices;
- more than 90 professionals employed globally, to enable it to offer in-depth local knowledge and relationship networks across the regions; and
- more than 200 active Portfolio Companies<sup>1</sup> under its various Funds.

### REGISTERED OFFICE

The registered office of Vertex is 250 North Bridge Road, #11-01, Raffles City Tower, Singapore 179101.

### DESCRIPTION OF VERTEX VENTURE HOLDINGS LTD

#### History

Vertex was founded as a technology development unit within Chartered Electronics Industries in 1988, which later became a part of the Singapore Technologies group. In 2004, the Singapore Technologies group was restructured and Vertex came directly under Temasek Holdings (Private) Limited (“**Temasek**”).

In September 2008, Vertex was re-started after Chua Kee Lock joined as Group Chief Executive Officer. In 2014, Vertex expanded into a global venture capital platform with different underlying funds, broadened its investor base, to serve as a reputable venture capital platform for limited partners (investors) seeking allocations in this asset class.

In 2017, the Partnership Group was established to foster innovation partnerships between and amongst Vertex’s Portfolio Companies, investors, industry and strategic partners. The Vertex Growth Fund was established in 2019 to capture the growth stage opportunities emerging from the Vertex early-stage Network Funds.

#### Temasek

Vertex is a wholly-owned subsidiary of Temasek. Temasek is a global investment company headquartered in Singapore, owned by the Government of Singapore. Temasek owns and manages a portfolio value of S\$306 billion as at 31 March 2020. The subsidiary companies include Singapore Airlines, Singapore Telecommunications Limited and PSA International.

Vertex is able to issue Class A RPS and Class B RPS, as the case may be, to Temasek to obtain capital to support its role as the anchor investor in Vertex’s family of venture capital funds through a master fund structure. Temasek has also appointed its representatives to the Board of Directors of Vertex.

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<sup>1</sup> active Portfolio Companies refer to companies that the Funds have invested in, are still being managed under the Funds and have not been divested or written off.

## FINANCIAL HIGHLIGHTS

The consolidated statements of profit or loss of the Group for FY2018, FY2019 and FY2020 are set out below:

	Group		
	2018	2019	2020
	<i>U.S.\$'000</i>		
Revenue	37,894	19,884	959
Net (loss)/gain from investments at FVTPL	36,981	119,738	(95,871)
Other income	338	2,701	918
Staff costs	(6,525)	(7,769)	(8,587)
Other operating expenses	(17,885)	(27,701)	(16,192)
Results from operating activities	50,803	106,853	(118,773)
Finance costs	—	(1,275)	(3,226)
Share of results of associates, net of tax	35,883	97,712	89,448
(Loss)/Profit before tax	86,686	203,290	(32,551)
Tax expense	(756)	(14,978)	(93)
(Loss)/Profit for the year	<u>85,930</u>	<u>188,312</u>	<u>(32,644)</u>
(Loss)/Profit attributable to:			
Owners of the Company	85,369	188,464	(40,448)
Non-controlling interests	561	(152)	7,804
(Loss)/Profit for the year	<u>85,930</u>	<u>188,312</u>	<u>(32,644)</u>
(Loss)/Profit attributable to Owners of the Company	85,369	188,464	(40,448)
Net unrealised (gain)/loss from investments at fair value	(91,505)	(209,249)	3,650
Realisation of prior years' unrealised net gain from investments at fair value	35,327	8,091	184,930
Expenses/(reversal of expenses) related to the unrealised gain/loss from investments	—	9,590	(1,987)
Adjusted net profit/(loss) on a realised basis <sup>(1)</sup>	<u>29,191</u>	<u>(3,104)</u>	<u>146,145</u>

Note:

- (1) After adjusting to exclude unrealised changes in fair value of investments and taking into account realisation of accumulated fair value changes of investments for each of the respective years and related expenses, the adjusted net profit/(loss) on a realised basis are presented above.

As used in this Offering Circular, a non-IFRS financial measure is one that purports to measure historical or future financial performance, financial position or cash flows, but excludes or includes amounts that would not be so excluded or included in the most comparable IFRS measures. “Adjusted net profit/(loss) on a realised basis” is a non-IFRS financial measure which adjusts “(Loss)/Profit for the year” to exclude unrealised changes in fair value of investments and taking into account realisation of accumulated fair value changes of investments for each of the respective years and related expenses. Adjusted net profit/(loss) on a realised basis, as used in this Offering Circular, is a supplemental measure of the Group’s performance and liquidity that are not required by or presented in accordance with IFRS, SFRS(I) or generally accepted accounting principles in certain other countries. Furthermore, adjusted net profit/(loss) on a realised basis is not a measure of financial performance or liquidity under the IFRS, SFRS(I) or any other generally accepted accounting principles and should not be considered as an alternative to net income, operating income or any other performance measures derived in accordance with IFRS, SFRS(I) or any other generally accepted accounting principles. Adjusted net profit/(loss) on a realised basis and should not therefore be considered in isolation from, or as a substitute for, the analysis of the financial condition or results of operations of the Group, as reported under IFRS, SFRS(I) or any other generally accepted accounting principles. Further, adjusted net profit/(loss) on a realised basis may not reflect all of the financial and operating results and requirements of the Group. In particular, adjusted net profit/(loss) on a realised basis does not reflect the Group’s needs for capital expenditures, debt servicing or additional capital that may be required to replace assets that are fully depreciated or amortised. Other companies may calculate or define adjusted net profit/(loss) on a realised basis differently, limiting its usefulness as a comparative measure. The Issuer has presented these supplemental financial measures because it believes that these measures provide more meaningful presentation of the Group’s financial performance taking into account the nature of its business which involves realisation of its investments. This data is also not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021, and should not be used as the basis for, or prediction of, an annualised calculation.

Based on the above consolidated statements of profit or loss, the financial highlights of the Group are as follows:

- The net asset value of the Group (excluding non-controlling interests) as at 31 December 2020, 2019 and 2018 was U.S.\$1.35 billion, U.S.\$1.35 billion and U.S.\$1.12 billion, respectively, which comprised of investments in Network Funds and Captive Funds amounting to U.S.\$1.19 billion, U.S.\$1.40 billion and U.S.\$1.08 billion, respectively, cash balances of U.S.\$128.62 million, U.S.\$84.97 million and U.S.\$117.52 million, respectively, and other net assets/liabilities;
- The revenue of the Group for FY2020, FY2019, FY2018 was U.S.\$0.96 million, U.S.\$19.88 million and U.S.\$37.89 million, respectively, which comprised net divestment gain/(loss) from portfolio of U.S.\$(17.93) million, U.S.\$3.03 million and U.S.\$14.61 million, respectively, distribution income from third party venture funds of U.S.\$5.24 million, U.S.\$1.13 million and U.S.\$11.71 million, respectively, and other operating income. Other operating income for FY2020, FY2019 and FY2018 includes income from management and performance fees and other service fees of U.S.\$13.23 million, U.S.\$12.91 million and U.S.\$7.68 million, respectively, as well as interest income of U.S.\$0.42 million, U.S.\$2.81 million and U.S.\$3.89 million, respectively;
- The net profit/(loss) after tax of the Group (excluding non-controlling interests) for FY2020, FY2019 and FY2018 amounted to U.S.\$(40.45) million, U.S.\$188.46 million and U.S.\$85.37 million, respectively, which was mainly attributable to the change in fair value of investments of U.S.\$(95.87) million, U.S.\$119.74 million and U.S.\$36.98 million, respectively, operating expenses of management companies and the respective expenses of the Captive Funds and the holding companies (net of other income), which amounted to U.S.\$(23.86) million, U.S.\$(32.77) million and U.S.\$(24.07) million, respectively, but which was partially offset by the share of results of associates (mainly from the Network Funds) which amounted to U.S.\$89.45 million, U.S.\$97.71 million and U.S.\$35.88 million, respectively; and
- After adjusting to exclude unrealised changes in fair value of investments and taking into account realisation of accumulated fair value changes of investments and related expenses, the adjusted net profit/(loss) on a realised basis of the Group for FY2020, FY2019 and FY2018 amounted to U.S.\$146.15 million, U.S.\$(3.10) million and U.S.\$29.19 million, respectively.

## SHARE CAPITAL AND FUNDING

The details of the share capital of Vertex as at the date of this Offering Circular is set out below:

<u>Type</u>	<u>S.\$</u>	<u>U.S.\$</u>	<u>U.S.\$ equivalent<sup>1</sup></u>
Ordinary shares . . . . .	299,657,176	Not Applicable	172,338,246
S.\$ Class A RPS . . . . .	241,071,500	Not Applicable	176,161,605
U.S.\$ Class A RPS . . . . .	Not Applicable	91,411,600	91,411,600
U.S.\$ Class B RPS . . . . .	Not Applicable	55,700,000	55,700,000
<b>Total</b> . . . . .	<b><u>540,728,676</u></b>	<b><u>147,111,600</u></b>	<b><u>495,611,451</u></b>

<sup>1</sup> The U.S.\$ equivalent of the S.\$ amount has been translated based on the historical rates of S.\$/U.S.\$ on the respective issuance dates giving effect to rounding, where applicable.

### Class A RPS

Vertex is able to issue to Temasek up to U.S.\$472.0 million Class A RPS to fund its working capital requirements. Vertex assesses its cash and cash equivalents position semi-annually, and any amounts (net of liabilities and relevant distributions as specified in its Constitution) in excess of U.S.\$100 million are to be used to redeem the Class A RPS. Vertex may subsequently issue new Class A RPS to Temasek, subject to the limit described earlier. Class A RPS may be issued in S.\$ or U.S.\$.

### Class B RPS

In addition to the Class A RPS, Vertex is able to issue to Temasek up to U.S.\$106.76 million of Class B RPS to fund its investment commitment in one of its Network Funds, Vertex Growth Fund. All outstanding Class B RPS are required to be redeemed in full by 19 January 2026. The Class B RPS are classified as financial liabilities in the financial statements of Vertex as they are redeemable on a specific date and dividend payments are not discretionary. Any dividends approved are recognised as an interest expense in profit or loss.

## **Unissued Class A RPS and Class B RPS**

As of the date of this Offering Circular, Vertex is able to draw on the remaining outstanding undrawn Class A RPS of approximately U.S.\$188 million<sup>1</sup>, and the remaining outstanding undrawn Class B RPS of U.S.\$51.06 million from Temasek.

## **Credit facilities**

Vertex has put in place various committed and uncommitted credit facilities amounting to U.S.\$175 million (of which U.S.\$115 million remains unutilised as at the date of this Offering Circular) in order to meet any funding gap or requirement.

## **DIVIDEND POLICY**

Under its Constitution, Vertex is required to distribute at least 50% of its profits after provision for tax accrued for each financial year (after excluding the effect of any unrealised gains in the value of any investments and relevant adjustments reflected in its Constitution). For FY2020, Vertex declared a distributable dividend of U.S.\$71.5 million to Ellensburg Holding Pte. Ltd., a wholly-owned subsidiary of Temasek.

## **COMPETITIVE STRENGTHS**

The competitive strengths of Vertex are as follows:

### **• Integrated venture capital platform**

The Vertex global network of more than 90 professionals has allowed it to scour the world for the best disruptively transformational ideas and start-up teams to nurture into global champions. Under the venture capital platform led by Vertex, each team shares domain expertise, investment ideas, lessons learned and best practices. This collective knowledge base, international investor and corporate networks built up over the years is one of the key strengths of Vertex. The Vertex global network including its integral partners such as Temasek is one of the few platforms in Asia that is able to take a company from seed stage to IPO stage.

### **• Value creation and realisation across the entire life cycle of a start-up**

The Vertex family of Funds enables value creation and realisation across the entire life cycle of a start-up, leveraging the strength of the Vertex global network. Each early-stage fund has access to some of the best early-stage opportunities emanating from the deep knowledge and networks of the General Partners who are domain specialists and natives with deep knowledge and networks to their respective start-up ecosystems. The early-stage funds give Vertex Growth (SG) L.P. (“VGF”) a selected pipeline of over 200 Vertex Portfolio Companies to support in their growth stage opportunities.

### **• Investment professionals that are natives to their start-up ecosystems, with deep domestic knowledge and networks**

Vertex’s unique structure leverages the in-depth local knowledge and networks of its investment partners to access the best entrepreneurs and investment opportunities. As an example, partners in the Vertex Ventures Israel Network Partnership comprise of native-born Israelis. Similarly, the partners in the other Network Partnerships are natives in the respective ecosystems in which they operate. At the same time, the Vertex platform seeks to provide the General Partners and Portfolio Companies with the global reach and portfolio support to augment their investment capability, differentiating them from others in the field. The investment focus of each Fund is specific to each region’s innovation landscape and investment thesis.

### **• Established track record of investing into and helping disruptively transformational start-ups succeed**

Vertex has established a track record of investing into and helping disruptively transformational start-ups succeed. Vertex seeks to create value for its start-up portfolio companies in several ways, including by:

- (a) talent recruitment, through the use of Vertex’s in-house human resource professionals;
- (b) business development, through the Vertex global network to encourage cross-border expansions and partnerships;
- (c) fundraising and joint venture support, through the Vertex network of Funds and the investors of the Funds;
- (d) marketing and community development, through the Vertex network of media and brand partnerships; and

<sup>1</sup> The U.S.\$ equivalent of the S.\$ amount is calculated based on the exchange rate of U.S.\$ 1 : S.\$ 1.3424 as at the Latest Practicable Date.

- (e) regulatory navigation, through the Vertex network of external expertise in various regions due to its global reach and relationships.

Selected investment exits by the Group are described in the table below:

<u>Company</u>	<u>Region</u>	<u>Industry</u>	<u>Year of Liquidity Event</u>	<u>Liquidity Event</u>	<u>Exit Valuation<sup>(*)</sup> / Current Market Valuation<sup>(**)</sup> (U.S.\$)</u>	<u>Return Multiple<sup>(***)</sup> at Exit</u>
Cyber-Ark Software Ltd. ....	Israel	Cyber Security	2014	Listed on NASDAQ	5.4 billion <sup>(**)</sup>	27x
Shenzhen Chipscreen Biosciences Co. Ltd. ....	China	Healthcare	2019	Listed on STAR Market	2.8 billion <sup>(**)</sup>	27x
Waze Mobile Ltd. ....	Israel	Consumer Tech	2013	Acquired by Google LLC	1.1 billion <sup>(*)</sup>	21x
Argus Cyber Security Ltd. ....	Israel	Cyber Security	2017	Acquired by Continental AG	0.4 billion <sup>(*)</sup>	12x
IGG Inc. ....	China	Consumer Tech	2018	Listed on HKSE	1.6 billion <sup>(**)</sup>	11x
91 Boyuan Wireless ....	China	Consumer Tech	2013	Acquired by Baidu, Inc.	1.9 billion <sup>(*)</sup>	10x
Mobike Ltd. ....	China	Consumer Tech	2018	Acquired by Meituan	2.7 billion <sup>(*)</sup>	10x
Busybees Logistics Solutions Private Limited. ....	India	Consumer Tech	2021	Fully divested through secondary sales	0.3 billion <sup>(*)</sup>	9x
Grab Holdings Inc. ....	SEA	Consumer Tech	2021	Fully divested through secondary sales	14.3 billion <sup>(*)</sup>	9x
Meta Networks Ltd. ....	Israel	Cyber Security	2019	Acquired by Proofpoint, Inc.	0.1 billion <sup>(*)</sup>	7x
SolarEdge Technologies Inc. ....	Israel	Energy	2015	Listed on NASDAQ	13.9 billion <sup>(**)</sup>	5x
Twelve, Inc. ....	US	Healthcare	2015	Acquired by Medtronic plc	0.4 billion <sup>(*)</sup>	3x

Notes:

(\*) The Exit Valuation is the value of the relevant Portfolio Company as at the point that Vertex divested of its investments in the shares of the Portfolio Company.

(\*\*) The Current Market Valuation is the market capitalisation of the relevant Portfolio Company as at the close of trading on the relevant stock exchange on the Latest Practicable Date.

(\*\*\*) The Return Multiple for divestments are based on the realised proceeds as at the time of exit or divestment. For Shenzhen Chipscreen Biosciences, which is partially divested, the Return Multiple is based on the realised proceeds and the value of the remaining investment based on the closing share price on the STAR Market as of the Latest Practicable Date.

#### • Strategic Investment capability through Vertex Fund of Funds and Vertex Exploratory Fund

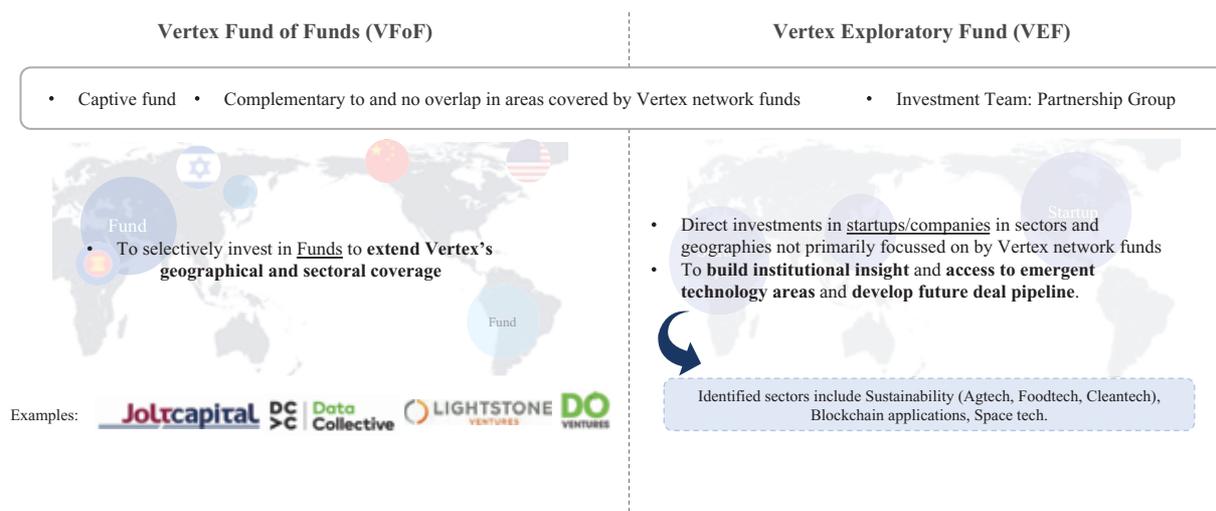
Vertex also has a fund-of-fund operations (“VFoF”) investing strategically in third party funds to complement Vertex Group’s geographical and sector focus. Through this mechanism, Vertex has developed deep relationship with Lightstone Ventures (Medtech, US), Jolt Capital (IT, Europe), Do Ventures (IT, Vietnam) and SBI (IT, Japan).

The third party funds under VFoF provide Vertex with insights and deal flow in areas that have been identified as complementary to Vertex. For example, in Europe, where Vertex does not have a local presence, Jolt Capital has referred several investment opportunities to the Vertex and also contributed to Vertex’s venture capital related publications. Through the VFoF, Vertex is able to achieve synergies and strategic insights similar to having a local presence but in a more selected manner.

Vertex has also established the Vertex Exploratory Fund Pte Ltd (“VEF”), which is envisaged to complement the coverage of existing Vertex network of funds, to enable Vertex to explore and strategically deploy capital and to better understand new geographies and sectors, to continually expand Vertex’s investment coverage and capabilities in its growth strategy.

Both VFoF and VEF are Captive Funds, and are wholly owned by Vertex. The following illustrates how the VFoF and VEF complement the existing Vertex network of Funds:

Vertex Funds of Funds and Vertex Exploration Fund are fully funded by Vertex Holdings.



### • Diversified investment strategy

Vertex has established a strong presence in key start-up ecosystems globally as well as deep domain knowledge across different tech sectors through the managerial experience and local expertise of Vertex's General Partners. In addition, the VFoF operations provides additional coverage in strategic areas beyond the IT and healthcare domains to complement Vertex's Funds. Vertex believes that this strategy has enabled it to construct a diversified portfolio of leading early and growth stage start-ups beyond the IT and healthcare sectors across different geographical regions. Each of the Funds also have an aggregate investment limits for each Portfolio Company to ensure that concentration risk can be easily managed.

## STRATEGIES

The key objectives of Vertex are to build (a) great technology companies that improve people's lives by transforming businesses, portfolios and economies, and (b) a differentiated and enduring venture capital platform for the world of tomorrow. This is achieved through the following strategies:

### • Investing only in best-in-class disruptive/transformational start-ups

Vertex recognises that the best technologies can be sourced globally. In order to source for the most promising and transformative start-ups in the major innovation hubs worldwide, Vertex selects and backs general partners who are native to their start-up ecosystems with deep domain knowledge and networks, which would enable them to access the best deal flow. This is important as each start-up ecosystem is highly nuanced and requires local expertise.

### • Enabling a network architecture where General Partners or the relevant fund managers are incentivised and have the autonomy to seek disruptive/transformational start-ups

The Vertex network architecture seeks to enable its General Partners to be sufficiently incentivised and have the autonomy to seek disruptively transformational start-ups. While carrying the Vertex brand name, each Network Fund is independently managed by their respective General Partners. The Captive Funds are managed by Vertex Ventures Management Pte Ltd ("VVMPL"), where the respective investment teams managing the Captive Funds have been similarly incentivised. Vertex also seeks to align its global network by establishing a common vision, set of values and culture that encourages the sharing of information, insights, and disruptively transformational ideas.

### • Engaging investment professionals who are natives in their respective start-up ecosystems with deep domestic knowledge and networks to access the best deal flow

In order to access the best investment opportunities available, Vertex believes that having deep, local knowledge and networks are vital. Vertex's "global-local, team-of-teams" architecture enables its teams to be closely connected with the local innovation ecosystems they operate in, with the unique added advantage of support from the global Vertex network. The latter is particularly important in deal-sourcing and portfolio value creation, as the market for innovative products and services is borderless. Vertex believes that its

network architecture enables its partners to access the best companies, while providing a business development springboard for start-ups to scale internationally.

- **Providing a platform for global exchange of insights, experience and competition of ideas increases investment selection robustness**

Vertex conducts regular tech insights sharing sessions, to enable a levelling up in understanding across its various investment teams. An example of this was its investment in Grab, South East Asia's first and most valuable "decacorn" (a term coined for start-ups with a valuation of over U.S.\$10 billion). This investment began from an insights sharing session by the Vertex Ventures China team, having missed the opportunity to invest in Didi. The Vertex Ventures SEA & India ("VVSEAI") team learnt from this and scoured the South East Asia market for an equivalent investment opportunity in the South East Asian market.

This resulted in VVSEAI's investment as the first institutional investor in MyTeksi. The VVSEAI General Partner convinced CEO and co-founder Anthony Tan to redomicile to Singapore, rebrand as Grab, opened doors to regulators, connecting them with taxi companies and helped Grab with their executive recruitment in Singapore.

- **Providing a global network to avail cross-border market access capabilities to help start-ups engage regulators, working with corporates on proof of concepts, new business opportunities**

Given the global aspirations of high growth companies, Vertex's team-of-teams approach has also enabled its General Partners and the Captive Manager to assist start-ups from other Vertex Network Funds and the Captive Funds to grow and succeed as part of Vertex's ecosystem. The Vertex global network aims to provide cross-border market access to help start-ups engage regulators, collaborate with corporates on proof of concepts and other innovations, to sign new business deals and channel partnerships, as well as to achieve meaningful exit opportunities.

- **Providing anchor funding and active fund raising**

Vertex currently expects that each Network Partnership and the Captive Manager (in relation to selected investment themes) will raise a new fund every three to four years. With Vertex providing anchor funding and discretionary support to accelerate the fund raising process for Network Funds (and entire funding for Captive Funds). This is expected to shorten the time taken for each fund raising, thereby seeking to allow its General Partners and the Captive Manager the latitude to focus on investing and nurturing their investment portfolio.

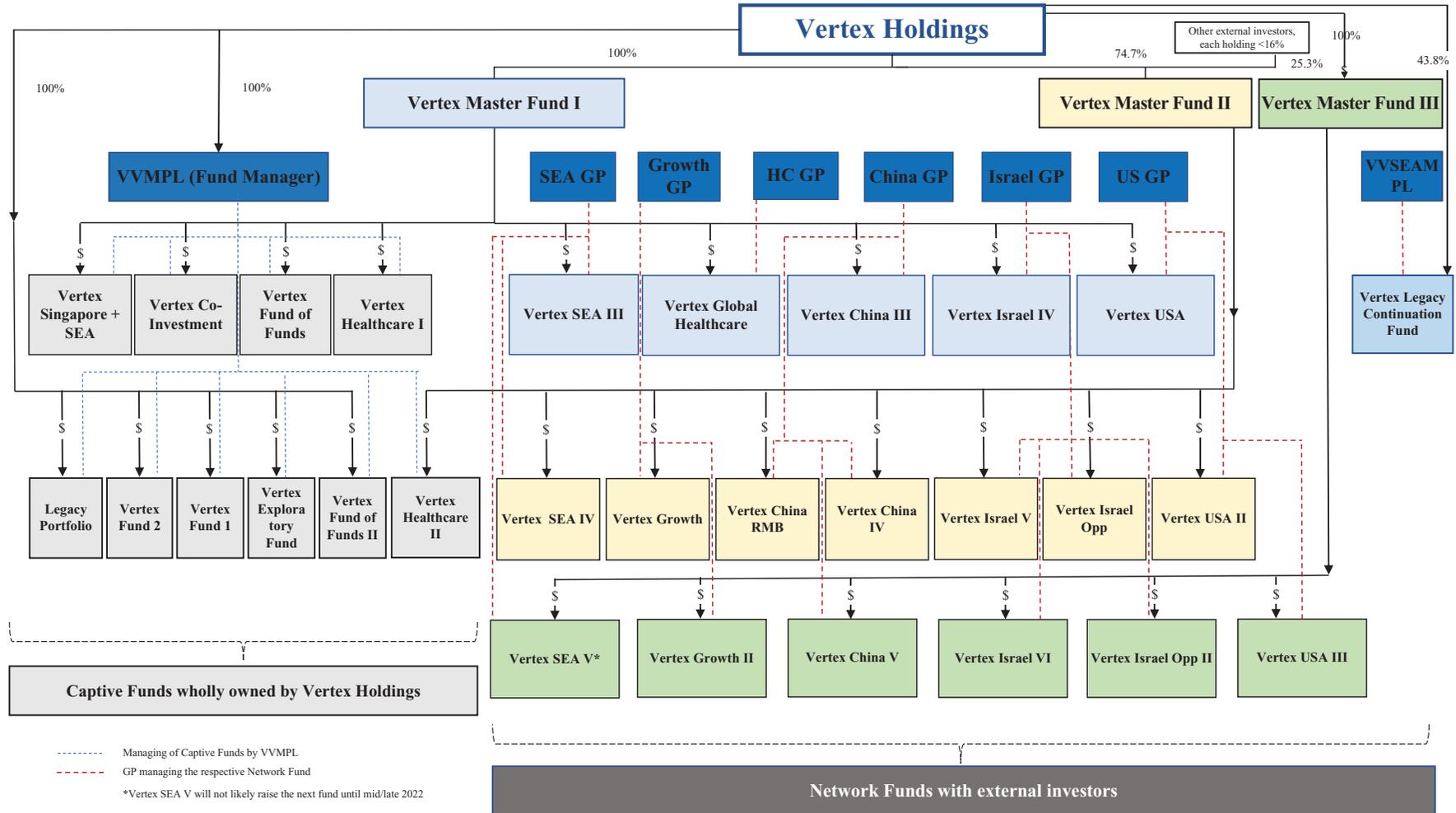
## **AWARDS AND ACCOLADES**

The strength of Vertex and that of its Funds to help disruptively transformational start-ups succeed has been recognised by various industry authorities. The list of industry recognitions includes the following:

- Vertex Ventures being recognised by Crunchbase in 2019 as among the Top-5 most active Privacy and Security Investors globally. Crunchbase is a platform for finding business information about private and public companies. Crunchbase information includes investments and funding information, founding members and individuals in leadership positions, mergers and acquisitions, news, and industry trends.
- Vertex Ventures China being recognised with the "Golden Bull Venture Capital Annual Outstanding Institution" award by China Securities Journal in 2020, for the third year running. The China Securities Journal is a national securities newspaper in China, published by Xinhua News Agency. It is based in Beijing,
- The General Partner of Vertex Ventures China being shortlisted in "Forbes 2020—Top 100 China's Best Venture Capitalists" for the third consecutive year.

# VERTEX NETWORK ARCHITECTURE

The following chart sets out, in general, the Network Funds, Captive Funds and Master Funds (collectively, the “Funds”) under the Vertex network architecture:



As at the date of this Offering Circular, Vertex has broadly, three types of funds, comprising:

- *Network Funds*

The Network Funds invest in start-up companies around the world. Investment professionals own the Network Partnerships and are the Investment Committee members of the Network Funds. The Network Funds are raised separately by five separate Network Partnerships; namely Vertex Ventures Israel, Vertex Ventures US, Vertex Ventures China, Vertex Ventures SEA & India and Vertex Growth. There are currently a total of 15 Network Funds. Vertex holds Fund Investments, and is a Limited Partner, in the Network Funds.

- *Captive Funds*

The Captive Funds invest in start-up companies around the world, and are wholly-owned by Vertex. The management and the Investment Committee members of the Captive Funds are appointed by Vertex. The Captive Funds are managed, as the case may be, by a team from Vertex Ventures Healthcare and VVMPL, which is the fund management subsidiary of Vertex. VVMPL holds a Capital Markets Services licence for fund management issued by the Monetary Authority of Singapore. It manages the Captive Funds as well as provides operational support to selected Network Funds. As of the date of this Offering Circular, there are a total of 10 Captive Funds, which are each structured as a company that is wholly-owned by Vertex.

- *Master Funds*

The Master Funds anchor and funnel the anchor funding into the underlying Network Funds and/or Captive Funds, but do not invest into start-up companies. The management and the Investment Committee members of the Master Funds are appointed by Vertex. These Master Funds are managed by a team from VVMPL. Master Fund I and Master Fund III are 100% funded by Vertex while Master Fund II is 75% funded by Vertex and 25% funded by external Japanese investors.

Vertex has also established a global venture capital platform comprising four early-stage Network Partnerships (namely, the SEA General Partnership, the China General Partnership, the United States General Partnership and the Israel General Partnership), one early-stage Captive Manager (namely Vertex Ventures Healthcare) and one Growth Network Partnership (the Growth General Partnership). The five Network Partnerships and one Captive Manager manage their respective Network Funds and Captive Funds and invest in technology and healthcare companies globally.

## SELECTED VERTEX PORTFOLIO COMPANIES

The following are examples of some of the Portfolio Companies under the Vertex ecosystem:



## THE FUNDS AND ASSETS MANAGED UNDER THE VERTEX PLATFORM

The five Network Partnerships and one Captive Manager cover the key innovation markets and ecosystems in Southeast Asia, India, China, the US and Israel.

All investment request to anchor the Network Funds and the Captive Funds will initially be presented to the Vertex Executive Committee (the “**Executive Committee**”) comprising the Chairman, Deputy Chairman and Chief Executive Officer of Vertex.

A brief overview of the investment approval process to anchor each respective Fund, which is generally adopted by both the Network Funds and the Captive Funds, is set out below:

- The respective investment teams and/or General Partners of the respective Network Funds will submit an investment strategy and update for their respective focus, which will include details including:
  - the key terms and focus of the relevant Fund;
  - the track record and the performance of the predecessor fund;
  - the investment team and their complementary skills;
  - the macro-economics of the respective investment region and industry focus;
  - lessons learnt from past funds; and
  - potential areas of collaboration within the Vertex network.
- After submission, these investment teams and/or General Partners will present their proposal in either physical or virtual meetings with the Executive Committee. The Executive Committee will then deliberate the merits of the proposed investment and consider the appropriate investment commitment amount to each Fund taking into account, among other consideration, the investment commitment and resources of the Group.
- If an investment request and proposal is approved by the Executive Committee, such investment request and proposal will be presented to the board of directors of Vertex for their further discussion and final approval.

### **The Funds**

The following are the main Funds under the Vertex venture capital platform:

#### ***Early stage Funds***

- Vertex Ventures SEA III, L.P. and Vertex Ventures SEA IV, L.P. (collectively, “**VVSEAI**”);
- Vertex Ventures China III, L.P. and Vertex Ventures China IV, L.P. (collectively, “**VVCN**”);
- Vertex Ventures US Fund I, L.P. and Vertex Ventures US Fund II, L.P. (collectively, “**VVUS**”);
- Vertex IV (C.I.) Fund L.P., Vertex V (C.I.) Fund L.P. and Vertex VI (C.I.) Fund L.P. as well as Vertex Israel Opportunity Fund I L.P. and Vertex Israel Opportunity Fund II L.P. (collectively, “**VVIL**”);
- Vertex Legacy Fund (SG) LP (collectively, “**VLSG**”);
- Vertex Global HC Fund I Pte. Ltd. and Vertex Global HC Fund Pte. Ltd. (collectively, “**VVHC**”);

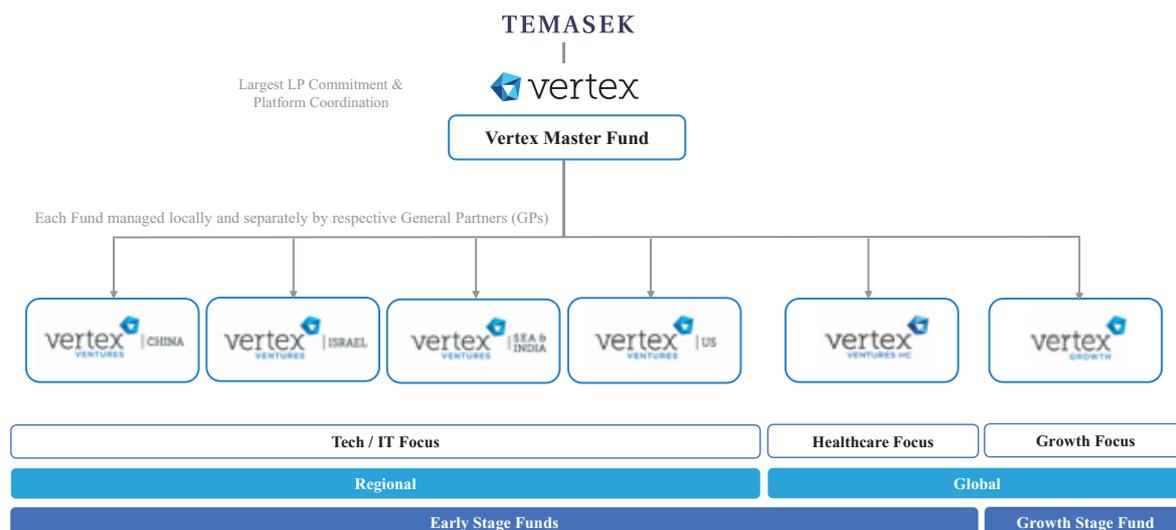
#### ***Growth Fund***

- Vertex Growth (SG) L.P. (“**VGF**”);

#### ***Captive Funds (selected)***

- Vertex Exploratory Fund Pte. Ltd. (“**VEF**”); and
- Vertex Fund of Funds (II) Pte. Ltd. (“**VFoF**”).

The following chart illustrates the investment focus, geographical mandate and type of fund of the respective Network Partnerships, the Captive Manager and the Funds:



## INVESTMENT FOCUS, INVESTMENT THEMES AND GEOGRAPHICAL MANDATES

### *Investment focus*

The Funds focus on the following investment areas:

- Technology and information technology—VVCN, VVIL, VVSEAI and VVUS
- Healthcare—VVHC and VVCN (selective Healthcare opportunities)
- Growth—VGF

### *Investment themes*

The Funds cover the following key investment themes:

#### • *Cyber Security*

Investments in cyber security companies are becoming important as the world becomes increasingly more connected, due to significant amounts of digital data being generated from, and shared with, different kinds of devices. In view of such trends, there is an increasing number of entry points, collectively termed the “attack surface”, where an unauthorised user can infiltrate and manipulate the information technology systems of an organisation to launch cyber attacks or gain access to sensitive data. The abilities of such potential unauthorised users have grown beyond what the traditional network and cyber security tools can manage. For example, in 2020, SolarWinds, a major United States information technology firm, was the subject of a cyberattack that spread to its clients and went undetected for months. The incident, known as the SolarWinds hack, was one of the largest breaches in recent history and has resulted in the increasing awareness of the importance of cyber security.

Vertex Ventures Israel has extensive experience in the cyber security investment space. It has invested as well as made several successful exits from cyber security companies such as CyberArk which specialises in privileged account security. The current active Portfolio Companies include leading cyber security start-ups such as Cymulate, a Breach-and-Attack simulation platform that helping to change the way companies monitor their information technology infrastructure security.

#### • *Artificial Intelligence*

The “Internet of Everything”, the seamless interconnection and autonomous coordination of massive number of computing elements and sensors, inanimate and living entities, people, processes and data through the Internet infrastructure, is an emerging research and development towards enabling the connected universe from molecular sensors to vehicles and people. Increases in the speed and volume of data generation has resulted in higher demand for better and faster tools, both in the software (to discern pattern and develop algorithms) and hardware (for example, dedicated ASIC (Application Specific Integrated Circuits)) realms. These has created a conducive environment for artificial start-ups to innovate and disrupt.

An example is the investment by Vertex Ventures China in Horizon Robotics, which has grown to become a “unicorn” (a term coined for start-ups with a valuation of over U.S.\$1 billion). The company designs and develops artificial intelligence algorithms and chips, more specifically tailored to the “Artificial Intelligence of Things” and autonomous driving applications.

- ***Mobile Internet***

The emergence of mobile networks offering faster connectivity, especially fifth generation (“5G”) networks, has resulted in mobile users having an almost instant and easy access to the internet through user friendly applications (“apps”) and created a frictionless and almost costless distribution platform to acquire customers and transact. This has generated novel business models previously handicapped by expensive distribution, especially for the sharing economy linking online and offline experiences, for example, ride-sharing, food delivery.

An example of such investment was where Vertex Ventures SEA & India was the first institutional investor in Grab, which has evolved from initially being a ride hailing app to a “super app” today. In 2018, Grab became South East Asia’s first and most valuable “decacorn”.

- ***Autonomous Driving***

Advances in connectivity, computing power and AI (artificial intelligence) are the essential infrastructure pieces for driverless cars. This makes possible the development of more advanced software and hardware for high performance computer vision solution, for example, vision fusion and rapid object classification for drive decision making. Without having to focus on driving, and with impending 5G connectivity, this could potentially open new ways of engaging driver/passengers and entertainment while in transit.

Vertex Ventures Israel has invested in Innoviz Technologies, which was listed on NASDAQ in the first quarter of 2011. The company develops LiDAR (Light Detection and Ranging) technology that is empowering the autonomous vehicle revolution.

- ***Biomedical & MedTech (medical technology)***

There is an ongoing need and demand for safer, higher efficacy and cost-saving treatments globally. Faster and cheaper computing, augmented by connectivity which enable global collaboration and knowledge sharing, have opened new territories in the understanding of human physiology and diseases. For example, cancer treatment research has increasingly focussed to genetic-level treatment, customising therapies specific to particular genetic biomarkers. Unlike typical IT investments, the demand or market in healthcare sector is usually very well defined. There is little market risk but more product and technology risk.

Vertex Ventures SEA & India has invested in Speedoc which has developed a health care application to book and schedule doctors’ services, allowing users to have access to a fully licensed doctor anytime and anywhere.

- ***Healthcare***

These investments focus on biotech, diagnostics and medical devices opportunities globally. On biotech, the strategy is to focus on platforms that can yield multiple cures rather than a potential-star drug that could have a binary outcome.

Vertex Ventures Healthcare has invested in Bicycle Therapeutics which is developing a new class of small, chemically synthesised medicine for people with cancer and other diseases. In the device and diagnostic space, the approach is to target existing illnesses that have ready market and are reimbursed by a national health scheme or insurance. Vertex Growth has invested in Endogastric Solutions, a company which seeks to combine advanced concepts in gastroenterology and surgery to address previously unmet needs in gastrointestinal diseases.

## Geographical mandates

The Funds are also segmented by geographical regions, further details of which, as at the Latest Practicable Date are set out in the table below:

<u>Region</u>	<u>AUM (U.S.\$)</u>	<u>As a percentage of total AUM</u>
China .....	1.23 billion	27.3%
South East Asia and India .....	0.93 billion	20.7%
Israel .....	0.64 billion	14.2%
United States of America .....	0.56 billion	12.5%
Global .....	1.14 billion	25.3%

VVCN, VVIL, VVSEAI and VVUS invest in assets in the respective regions (China, Israel, SEA & India and USA), whereas VVHC and VGF have global investment mandates. In addition to the above investment themes, the Funds are also guided by different geographical mandates. These include the following:

- *China*

With a population of more than a billion people and a burgeoning, free-spending middle class, there is a tremendous consumption demand for new products and services, powered by frictionless mobile internet and payment infrastructure. Consequently, consumer internet (for example, Loho) and digital/sharing economy business model are big drivers in China (for example, Mobike). More recently, there is a renewed drive for China to be self-sufficient in critical hardware components, spurred by the ongoing ‘trade war’ with the United States of America (the “**United States**”). This is now a growing new investment theme especially in the semiconductors sector (for example, Horizon Robotics).

- *Israel*

With a large defence industry and deep brain trust, Israel has developed expertise and sophistication in cyber security and computer vision. The government has invested enormous resources into defence capacity building, which include developing talents across various relevant sectors. This pool of trained personnel become the spring for the development of solutions for commercial application in cyber defence (for example, Cymulate), computer vision solutions (for example, Taranis) and AI (for example, Verbit).

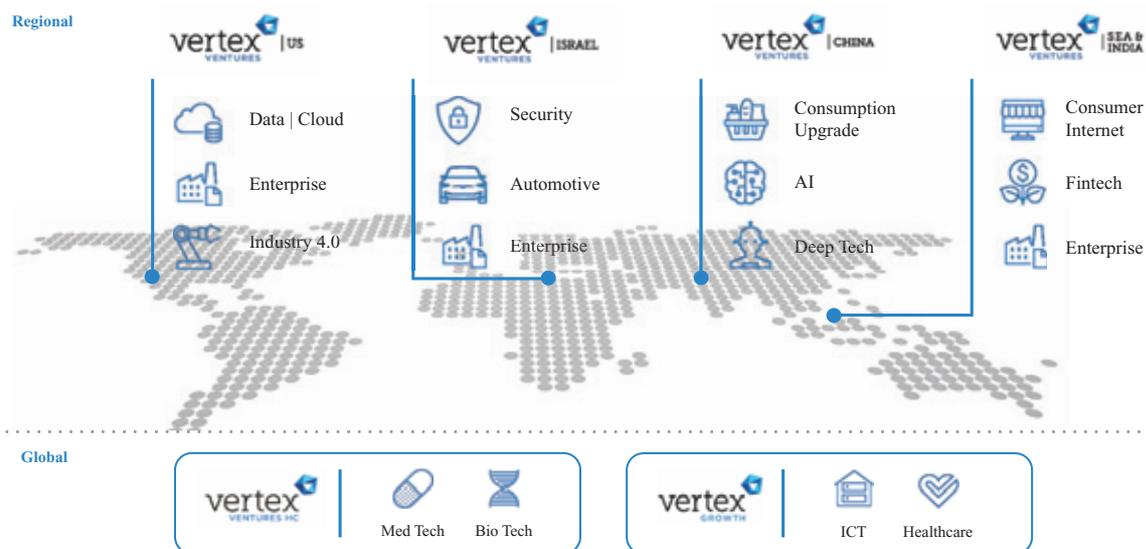
- *SEA & India*

The investments cover a large and populous area, similar in collective consumption capacity to China but largely behind in terms of industrial and economic development. The investment focus in this region is, therefore, less on technology innovation but on companies that are able to apply technology to disrupt traditional business (for example, B2C — Licious; fintech — Nium, Validus) or companies that are able to adopt and adapt proven business models from other geographies for example, Grab (vis-a-vis Uber), Spacemob (vis-a-vis WeWork), Sunday (vis-a-vis Lemonade) are major regional themes.

- *USA*

This is a mature market and the largest economy in the world, with many large enterprises and corporates. The United States is a trendsetter in terms of enterprise solutions that the rest of the world follows. As such, the emphasis in the United States is on enterprise (for example, PerimeterX), industrial (for example, Tulip) software and hardware (for example, Desktop Metal). Vertex’s healthcare team is based in the USA.

The following illustrates the types of investments and the geographical or global mandates of Vertex’s respective Network Partnerships, the Captive Manager and Funds:



### Structure of the Funds

Each Network Fund is managed by the respective Network Partnerships. The Funds are anchored by Vertex, whereby Vertex is committed to provide, typically, between 30 - 50% of the committed capital in each Fund. The Funds are managed by their respective independent, separate General Partners and investment teams, who collaborate closely as part of the Vertex global venture capital network, sharing the common vision and values intrinsic to Vertex’s global platform. Vertex also provides the platform coordination between the various network Funds to enable the network to exchange intelligence across jurisdictions, industries and trends.

The Network Funds are typically structured as limited partnerships, and are governed by limited partnership agreements, which incorporate provisions relating to key matters such as the term of the partnership, capital commitment, capital commitment period, capital call, management fees, carried interest and distribution waterfalls. However, depending on the investment considerations, certain funds may be structured as companies, such as the healthcare funds.

Each Network Fund has access to dedicated investment capital of between USD150 million to USD305 million. With the exception of VGF, each Fund is focussed on investment in compelling venture capital investment opportunities from their respective start-up ecosystems.

The key thesis of VGF is to capture the growth-stage opportunities to invest in the winners or “unicorns” that have been spotted and groomed by the other network Funds (VVCN, VVIL, VVSEAI and VVUS) in the various innovation centres in USA, China, Israel, South East Asia and India.

Besides Network Funds, there are selected Captive Funds; namely VVHC, VFoF and VEF. These Captive Funds are fully funded by Vertex and organised as companies. The management and the Investment Committee members of the Captive Funds are appointed by Vertex. The Captive Funds are managed, as the case may be, by a team from Vertex Ventures Healthcare and Vertex Venture Management Pte Ltd (“VVMPL”).

In addition, each Fund is led by experienced local and native-speaking investment teams with established relationships and deep knowledge of their respective territories.

### Network Funds structured as limited partnerships—relationship between the general partners and limited partners for Funds structured as limited partnerships

The Network Funds are generally structured as limited partnerships, and are governed by the limited partnership agreement. In certain instances, the Funds could also be structured as companies or trusts. The discussion below presumes, for simplicity, a limited partnership structure.

Subject to the provisions of the limited partnership agreement for the relevant Fund, the General Partner of a Fund is vested with the exclusive authority for the management, control and operation of the Fund and its investment and other activities, acting directly or through its duly appointed agents or delegates to carry out any and all of the purposes of the Fund including the determination of policy with respect to the Fund and its investment and other activities. All decisions relating to the selection and disposition of the Fund’s investments

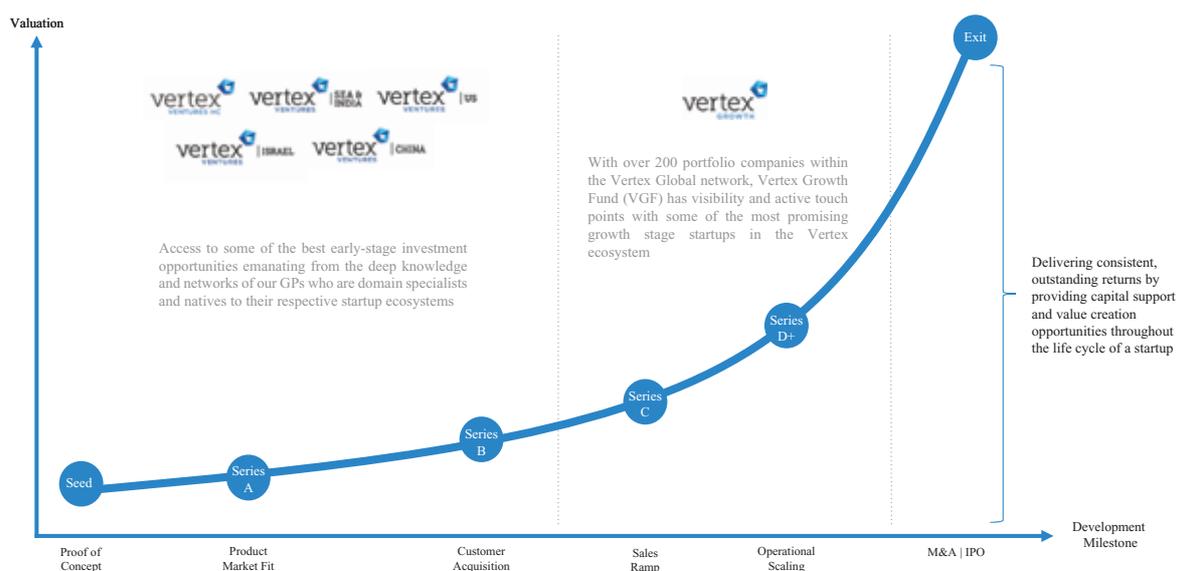
are to be made exclusively by the General Partner. The General Partners of the respective Network Funds are owned by the key investment professionals in their own capacity. Vertex has no stake or interest in the General Partners of the respective Network Funds.

The Limited Partners of a Fund do not (a) take part in the conduct of the business of the Fund and the management or control of the investments of the Fund or other activities or transact any business in the name of the Fund; or (b) have the power to sign documents for or otherwise bind the Fund. The exercise by any Limited Partner of any right conferred in the limited partnership agreement shall not be construed to constitute participation by such Limited Partner in the conduct of the business of the Fund, or in the control of the investment or other activities of the Fund.

Vertex, as a shareholder of the companies constituting each of the Captive Funds and as a Limited Partner, is required to make capital contributions to the respective Captive Funds and the Network Funds, subject to the limit of its capital commitment to the respective Funds. As a Limited Partner, it does not have the right to withdraw capital from the Funds at its option or to receive any distribution of or return on such Limited Partner's capital contributions. Any failure by Vertex to fund its capital commitment could subject Vertex as a Limited Partner to severe forfeiture penalties. As a Limited Partner, Vertex will only receive distributions from the relevant Fund when distributions are made by the General Partner of the Fund. Vertex is entitled to exercise its rights as a Limited Partner in accordance with the terms of the limited partnership agreement for the relevant Fund.

### Investment life cycle

The following graphic illustrates the various stages of the life cycle of an investment by the Funds in a Portfolio Company, from proof of concept stage to exit through a divestment or an initial public offering (“IPO”) as well as the various series funding rounds at each stage.



Since the operations of Vertex re-started in September 2008, the Vertex Network Partnerships and the Captive Manager have enabled Vertex to deliver outstanding returns on its portfolio investments by providing capital support and value creation opportunities throughout the stages of the life cycle of a start-up, as outlined below:

**Seed stage**—at the Seed stage, start-ups need to demonstrate the proof-of-concept for their idea.

**Series A**—at Series A, there has to be product-market fit for the start-up's product or service.

**Series B**—at Series B, the start-ups have to ensure early market traction through customer acquisition.

**Series C**—at Series C and beyond, the start-ups have to demonstrate significant sales growth and operational scaling. These are key milestones for high growth start-ups.

From the Seed to Series B stages, the relevant Fund provides access to some of the best early-stage investment opportunities emanating from the deep knowledge and networks of Vertex's General Partners who are domain specialists and natives to their start-up ecosystems.

With over 200 portfolio companies within the Vertex global network, VGF works closely with the early-stage Network Funds and has access to promising growth stage start-ups from within the Vertex ecosystem. VGF has

the ability to make available additional capital and portfolio support to these start-ups when they are ready to scale sales and operations, typically from Series C stage onwards.

### Investments that do not materialise

For investments that do not materialise, Vertex conducts business reviews to understand the root cause as well as, where possible, pivot options to assist these start-ups regain their growth footing. In cases where such pivots are not viable, Vertex will assist to place these start-ups with other potential investors with complementary strengths. If these mitigation measures should fail and all possible options are exhausted, Vertex will have to decide on swift and decisive closures of such start-ups. These “fail-fast” approaches are meant to ensure that no further time or resources are spent to keep the start-up afloat, especially if its economics and operations are no longer tenable.

### FEE MODEL

Vertex generates the following fees:

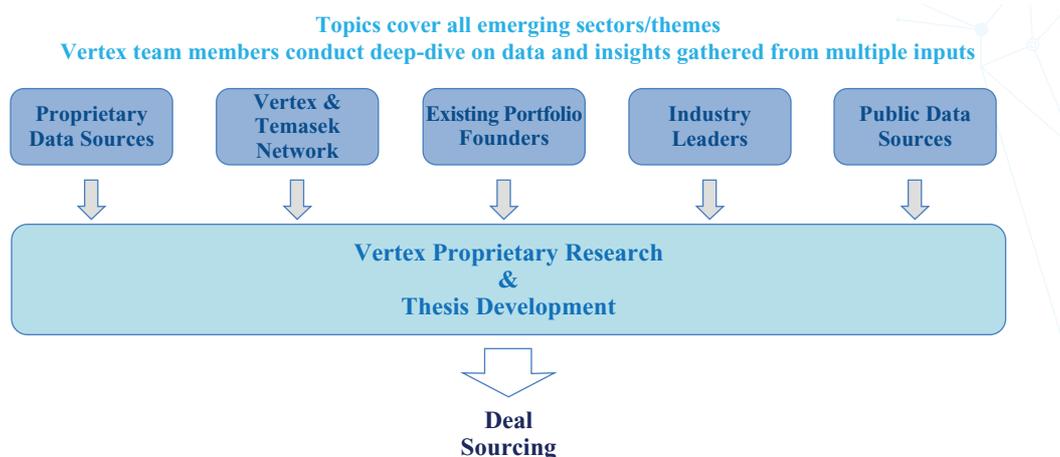
- **Investment Management Fees:** VVMPL, as the fund manager, charges the Captive Funds investment management fees on an arm’s length basis;
- **Other Service Fees:** Certain Network Funds also utilise the services of VVMPL for middle and back room services including:
  - fund administration;
  - accounting and finance;
  - compliance;
  - corporate secretarial and human resources; and
  - other related support services.

For such services, VVMPL charges a separate, fixed, service fee on an arm’s length basis.

- **Platform Fees:** In addition, VVMPL also charges platform fees on an arm’s length basis to the Network Partnerships for the provision of IT infrastructure and other related services.

### DEAL SOURCING AND INVESTMENT

For the purposes of deal sourcing and investment, all relevant investment team members conduct thorough analysis into various sectors using data and insights gleaned from various sources, including proprietary and public datasets, Vertex and Temasek networks, VFoF, as well as close relationships with existing portfolio founders and industry leaders. These different information streams enable Vertex to conduct in-depth research and develop investment theses which are shared more widely across the Vertex global network.



### INFORMATION TECHNOLOGY INFRASTRUCTURE OF THE GROUP

Vertex has implemented data security systems which include firewall and endpoint security solutions. It has subscribed to a managed detection and response service, breach-and-attack simulation platform, as well as a brand protection service for web and social media impersonifications. Vertex also has in place several policies

and processes which includes conditional access and multi factor authentication for email accounts, Business Continuity Plan (“BCP”) simulation exercises, disaster recovery trial exercises, and cyber security awareness trainings for all employees.

As the Group operates in several jurisdictions, the IT systems of Vertex Ventures China, Vertex Ventures Israel and Vertex Ventures US are managed by the Network Funds directly, whereas for the IT systems of Vertex Ventures SEA and India, Vertex Ventures Healthcare and Vertex Growth are managed by Vertex.

## COMPLIANCE FRAMEWORK

Vertex’s subsidiary, VVMPL, has a Capital Markets Services (“CMS”) Licence, issued by MAS under the Accredited Investor Licensed Fund Management Company regime on 26 October 2016, to conduct fund management activities. VVMPL is the fund manager of the Captive Funds.

As a CMS licence holder, VVMPL is required to comply with the licensing conditions, reporting requirements, guidelines and notices issued by MAS. VVMPL has implemented the following policies:

- **Compliance Manual:** this lists out the compliance requirements applicable to VVMPL as the holder of a CMS licence for the regulated activity of fund management under the Securities and Future Act, the relevant regulations, as well as the relevant notices, guidelines, circulars and FAQs issued by MAS that may be applicable to the regulated activity of fund management.
- **Risk Management & Internal Control Procedures Policy:** this provides guidance on sound risk management practices and conduct requirements which are in accordance to the MAS guidelines on Risk Management Practices.
- **Anti-Money Laundering and Countering the Financing of Terrorism Policy (“AML/CFT”):** this outlines the AML/CFT responsibilities of VVMPL, the process to identify and know “your customer” (“KYC”) (including beneficial owners), by conducting KYC checks and customer due diligence prior to onboarding investors as well as on an ongoing basis, in addition to monitoring and reporting any suspicious transactions.
- **Outsourcing Manual:** this outlines the procedures that must be carried out by VVMPL, both prior to entering into an outsourcing arrangement and on an ongoing basis.
- **Conflicts of Interest Policy:** this is to identify and to mitigate actual and potential conflicts of interest which may arise.
- **IT Policies and procedures:** this is to manage technology risks and safeguard information system assets in VVMPL.
- **Business Continuity Plan:** this provides guidelines to facilitate the continuation of VVMPL’s business operations in the event of an incident that has the potential to critically disrupt business functions. The plan addressed the process, procedures, resources and information required to minimise the impact to business due to operational disruptions. In addition, it focuses on the rapid recovery and resumption of critical business functions of the fulfilment of business obligations.

Further, an internal regulatory audit is conducted every 12 to 18 months to (i) ascertain that the VVMPL’s operations were conducted in accordance with the applicable regulations of MAS and established compliance policies and regulatory requirements; and (ii) identify areas for improvement where controls can be strengthened.

## EMPLOYEES

The Group, including the Network Funds, has approximately 120 professionals currently, with about half of them employed in direct investment roles.

VVMPL has approximately 40 employees based in Singapore, comprising an investment team as well as support function teams providing operational support in finance, fund administration and human resources to certain Network Funds. In addition, there is a dedicated Partnerships team at Vertex which facilitates innovation partnership and growth technopreneurship for the global Portfolio Companies.

## INSURANCE

Vertex (including the wholly owned management companies) has in place an active Asset Manager Liability Insurance, which provides third party liability coverage. The coverage areas include:

- Directors and Officers, which protects the directors and officers from their liabilities in the management of the insured companies;
- Professional Indemnity, which protects the company and its employees against legal consequences of wrongful acts committed or allegedly committed while in the provision of professional services; and

- Crime Insurance, which protects against direct financial loss sustained due to fraudulent and dishonest acts, such as theft or forgery, committed by any employee.

## **LEGAL AND REGULATORY PROCEEDINGS**

As of the date of this Offering Circular, the Group is not involved in any legal or regulatory proceedings.

## **ENVIRONMENTAL, SOCIAL AND GOVERNANCE**

### **Corporate Social Responsibility**

In 2015, Vertex launched the TechCircle, a vibrant platform for the technopreneurial community to connect and interact contributing to a virtuous cycle of enterprise growth. The platform continues to serve as Vertex’s way of contributing to the start-up ecosystem in Singapore. In line with Vertex’s core business of investing in the next generation of technology champions, TechCircle currently thrives as a sustaining and vibrant membership platform for the technopreneur community to connect, interact, and contribute to a virtuous cycle of enterprise growth.

The following are the key highlights of the TechCircle:

- *Membership*—over 900 members comprising start-ups, corporates, IHLs, and other ecosystem players.
- *Co-work space*—co-work space in Raffles City in Singapore offered to tech start-ups at no charge.
- *Events*—curated exclusive members-only events featuring prominent speakers. Over 45 events held to date.
- *Mentorship*—mentorship for promising tech start-ups in partnership with the VVSEAI team. 12 start-ups benefitted to date.
- *Technopreneur Webinar series*—11-part webinar series held from Aug to Nov 2020 featuring relevant start-up topics.

### **Environmental, Social and Governance Policy**

#### **- Excluded investment and activities**

Sustainability is an important factor during Vertex’s due diligence process and ongoing monitoring of post investments. Vertex integrates environmental, social and governance (“**ESG**”) policies into its overall investment processes. The General Partners and investment teams are required to ensure that each Fund shall not invest or finance any activity, production, use, distribution, business or trade involving or derives any revenue from the following:

- prostitution-related activities;
- the manufacture, sale or distribution of pornographic materials or content;
- the development, production, maintenance, trade or stock-piling of weapons of mass destruction, including radiological, nuclear, biological and chemical weapons;
- the production or trade of harmful narcotics or drugs (which, for this purpose shall include cannabis and cannabis derivative products);
- the manufacture or sale of tobacco and tobacco products, including e-cigarettes;
- forced labour or child labour;
- activities or materials deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international phase-outs or bans, such as:
  - ozone-depleting substances, PCBs (Polychlorinated Biphenyls) and other specific, hazardous pharmaceuticals, pesticides/herbicides or chemicals;
  - wildlife or products regulated under the Convention on International Trade in Endangered Species or Wild Fauna and Flora;
  - unsustainable fishing methods (for example, blast fishing and drift net fishing in the marine environment using nets in excess of 2.5 kilometres in length);
- destruction of High Conservation Value areas;
- radioactive materials and unbounded asbestos fibres;
- racist and/or anti-democratic media;

- alcoholic beverages (excluding wine and beer), gambling, casinos and equivalent enterprise; and
- cross-border trade in waste and waste products, unless compliant with the Basel Convention and the underlying regulations.

The list of excluded activities/investments and ESG are reviewed and updated periodically. Any changes will be communicated to the General Partners/Partners and the investment team.

## **RISK MANAGEMENT**

### **Investment and Concentration Risks**

Investment risk is the probability or likelihood of occurrence of losses relative to the expected return on any particular investment. Concentration risk is the risk of loss due to limited diversification of investments in a fund.

Vertex has in place the following procedures and processes to mitigate applicable investment and concentration risks. These are reviewed and updated from time to time.

- **Due Diligence**

The investment team will conduct due diligence for all new investments to verify the accuracy of the information provided by the potential investee company which will include engaging legal firm to perform legal due diligence and/or accounting firm to perform financial due diligence, getting third-party verification from customers, suppliers, industry experts and doing reference checks on key founders/management team. In addition, the investment team will assess and evaluate the potential investee taking into account the product, market, management/team's ability to execute the business plan.

- **Capital Discipline**

Prior to the disbursement of funds, the investment support team will review the legal documents and the finance team will review to ensure that all proper approvals & investment documents have been duly executed, that legal opinions are in place, among other safeguards.

- **Mitigation of investment concentration / diversification risks**

To mitigate the investment concentration / diversification risks, Vertex has established investment guidelines and investment restrictions with specific limits on investment amounts (which varies from fund to fund) being set in any single region (if applicable), single industry and single investee company so as to spread investment risks and avoid overly concentrated risk in any one sector or company.

- **Regulatory and Compliance**

For listed investments, the Investment Support team will check (with the listed company or external lawyer) on the reporting and filing requirement of the relevant stock exchanges relating to the ownership/holding of such listed investments to avoid non-compliance risks as well as to compile a restricted securities list to avoid insider trading.

### **Operational and Technology Risks**

Operational and technology risks is the risk of loss due to inadequate or failure in internal processes, people, system or external events The Group relies on the ability of its employees, internal systems and controls and service providers to carry out its business. Operational and technology risks failures may lead to reputation damage, financial loss or regulatory consequences.

Below are the types of operational and technology risks.

- **Key person and employee risks**

The loss of key individuals or employees and having incompetent employees could have a significant impact on the day-to-day operations of the Group. To ensure smooth functioning of the operations of the Group, a proactive human resource approach is followed to ensure there are sufficient management resources at all levels. For top management positions, a succession plan is planned and reviewed for each key position.

Vertex also ensures the employees are fit & proper and competent for their role. New hires are adequately screened for their experience, professional capabilities, honesty and integrity prior on-boarding. Further, to safeguard the Vertex directors and officers acting on behalf of the Funds from legal proceedings, they are protected by the Asset Management Liability Insurance Policy.

- **Information Technology risk**

In the event of a disaster, the critical business functions of Vertex may be interrupted hence Vertex should be resilient against any business operation disruptions so that the Group's operations will be not incapacitated.

Vertex has in place a BCP which provides guidelines to facilitate the continuation of the Group's business operations in the event of an incident that has the potential to critically disrupt business functions. The BCP plan does not only address the process, procedures, resources and information required to minimise the impact to business due to operational disruptions but also focuses on a rapid recovery and resumption of critical business functions of the fulfilment of business obligations. An annual BCP review is conducted by Vertex and adequate BCP training is conducted for all employees of the Group.

In recent times, cyber security incidents and cyber-attacks have been occurring globally at a more frequent and severe level. A cyber security incident could have numerous material adverse effects, including on the business operations, liquidity and financial condition of the relevant Fund.

Vertex has also ensured that it has a set of essential cyber security measures as per MAS Notice CMG-N03 "Notice on Cyber Hygiene" dated 6 August 2019 (as amended from time to time) issued by the Monetary Authority of Singapore, including applying security patching, establishing baseline security standards, deploying network security devices, implementing anti-malware measures and strengthening user authentication. Further, Vertex has in place IT policies, standards and procedures to manage technology risks and safeguard information system assets in the Group.

- **Outsourcing Risk**

Vertex may outsource certain functions to third party service providers. In the event the service provider fails to provide the services, the Group's business operations may be impacted.

Vertex ensures due diligence assessments are conducted on all outsource providers prior to engaging them and also on an ongoing basis. Performing due diligence is essential for Vertex as it does not only decrease threats to business operations and financial stability but it also reduces compliance risk and reputation risk.

## **CORPORATE GOVERNANCE**

The Group has established a code of conduct policy that sets out general principles, guidelines and rules of conduct and professionalism for the employees, including but not limited to (a) general business conduct, (b) prohibitions on insider trading, including on the use and dissemination of confidential and sensitive information, (c) prohibitions on trading on a designated restricted securities list, and (d) whistleblowing policy.

The Group's employees are required to sign an annual confirmation statement declaring their compliance with the code of conduct policy as well as to sign an annual declaration on restricted securities and benefits received from any Vertex portfolio companies.

## **COMMITTEES**

Further details on the committees that have been established by the Group, the respective Fund managers and the General Partners are set out below.

### **Investment Committees**

#### *Captive Funds*

The investment committee is established by the fund managers for the respective Captive Funds to consider and approve investment and divestment proposals. Investment and divestment proposals made by the fund manager with respect to the respective Captive Fund's investments shall be subject to the approval of the investment committee who shall consider the investment mandate and the guidelines of the relevant Captive Fund when making any decisions.

#### *Network Funds*

The General Partner is required to cause the Manager of the respective Network Funds to establish an investment committee and to delegate to the investment committee the authority to approve all investments and divestments by the fund.

## Advisory Committee

The General Partner of each Network Fund is required to establish a limited partner advisory committee which will be represented by nominees of key investors of the Fund. The advisory committee of each Fund will meet at least annually and is authorised to do the following:

- consent to, approve, review or waive any matter requiring the consent, approval, review or waiver of the advisory committee as required under the limited partnership agreement (the “**Limited Partnership Agreement**”) of the Network Fund;
- consult with and advise the General Partner on the strategic direction of the Fund, including approving changes to the methodology used for the valuation of the portfolio investments of the Network Fund;
- consult with and advise the General Partner on the performance of the Fund;
- vote on changes to the structure and administration of the Fund as set out in the Limited Partnership Agreement; and
- provide such advice, counsel approval or consent as is requested by the General Partner or required pursuant to the Limited Partnership agreement in connection with potential conflicts of interest, valuation matters, prohibited areas of investment and other matters relating to the Fund and any related funds of the Fund.

## Audit and Risk Committee

The Board of Vertex has established an Audit and Risk Committee, comprising of two members of the Board who are independent and free from any relationship that would interfere with the exercise of his/her independent judgement as a member of the Committee.

The primary function of the Audit and Risk Committee is to assist the Board to ensure the adequacy and effectiveness of the internal controls, risk management systems (including cyber security risks) that the Board and the management of Vertex have established as well as to oversee the management of compliance risk with all applicable laws, regulations, code of conduct and standards of good practice.

The Audit and Risk Committee shall meet at least annually or as and when the circumstances require. The Audit and Risk Committee may invite members of management, the compliance officer, the internal and external auditors or others to attend the meeting and provide pertinent information as necessary.

## BOARD OF DIRECTORS AND EXECUTIVE OFFICERS

### Board of Directors

The Board of Vertex as at the date of this Offering Circular are:

<u>Name</u>	<u>Position<sup>1</sup></u>
Mr. Teo Ming Kian .....	Chairman
Mr. Lee Kheng Nam .....	Deputy Chairman
Mr. Chua Kee Lock .....	Director, Chief Executive Officer
Mr. Rohit Sipahimalani .....	Director
Mr. Chia Chee Meng Timothy .....	Director

Further information on the Board as at the date of this Offering Circular is set out below:

### Mr. Teo Ming Kian, Chairman

Mr. Teo Ming Kian has been Chairman of Vertex since May 2012. He is concurrently Chairman of Tychan Pte Ltd, Temasek Foundation Ecosperity CLG Ltd, Temasek Life Sciences Laboratory Ltd (TLL), Temasek Life Sciences Ventures Private Limited and Temasek Lifesciences Accelerator Pte Ltd — TLL’s subsidiary and joint venture respectively. Mr. Teo is also a Board Director of Temasek Holdings and Interel Pte Ltd, as well as Fellow of the Singapore Academy of Engineering. Before his retirement from the Singapore Civil Service, Mr. Teo held Permanent Secretary and Executive Chairman positions in several Singapore government ministries and agencies.

He was conferred the Singapore Public Administration Medal (Gold) in 1993, the Commander First Class—Royal Order of the Polar Star (Sweden) in 1994, the Distinguished Alumni Award, Monash University, Australia in 1999, the Meritorious Service Medal in 2008 and the Defence Technology Medal (Distinguished Leadership) in 2015.

<sup>1</sup> Other than Mr. Chua Kee Lock, who is an executive Director, all other Directors are non-executive Directors.

Mr. Teo holds a Bachelor of Engineering degree (First Class Honours) in Mechanical Engineering from Monash University in Australia, and Master of Science degree in Management Studies from Massachusetts Institute of Technology.

**Mr. Lee Kheng Nam, Deputy Chairman**

Mr. Lee is the Deputy Chairman of Vertex. Mr. Lee is also Venture Partner of GGV Capital and Chairman of Advantec Pte Ltd, an investment holding company. Mr. Lee was General Manager (1988 to February 1995) and subsequently President of Vertex Management Pte Ltd (VMPL), and executive Director of Vertex from March 1995 to February 2004. Prior to this, he was with the NatSteel group of companies as the Manager of the Project Development Department and the Ministry of National Development where he was Deputy Director of Planning.

He sits on the board of Creative Technology Ltd, a public-listed company in Singapore. He is also a board member of several private companies including Blaise Inc, Structo3D and Zero 2.5. He had served as Chairman of Heptagon Micro Optics Pte Ltd (acquired by ams AG) and was also on the boards of China Finance Online, Gemplus International S.A. (merged into Gemalto) and Chartered Semiconductor Manufacturing Ltd.

Mr. Lee holds a Bachelor of Science degree (First Class Honours) in Mechanical Engineering from Queen's University, Canada and a Master of Science degree (with distinction) in Operations Research and Systems Analysis from the U.S. Naval Postgraduate School, and a Diploma in Business Admin from National University of Singapore.

**Mr. Chua Kee Lock, Chief Executive Officer and Director**

Mr. Chua has been the Chief Executive Officer of Vertex since 2008 and is also concurrently Managing Partner of Vertex Ventures SE Asia & India as well as Chairman of Vertex Growth Fund.

Prior to this, he held senior positions in Biosensors International Group, Ltd., a developer / manufacturer of medical devices; Walden International, a US-headquartered venture capital firm; NatSteel Ltd., a Singapore industrial products company, and Intraco Ltd., a Singapore-listed trading/distribution company. Mr. Chua co-founded MediaRing, provider of voice-over-internet, which was subsequently listed on the SGX-ST.

He was appointed by the Singapore Government as a Non-Resident Ambassador to the Republic of Cuba and the Republic of Panama in 2020. He currently serves on the boards of several companies, including Yongmao Holdings Limited and Credit Bureau Asia Limited, which are publicly listed.

Mr. Chua graduated with a Mechanical Engineering degree from the University of Wisconsin and a M.Sc. degree from Stanford University.

**Mr. Rohit Sipahimalani, Director**

Mr. Rohit Sipahimalani is a director of Vertex. He is also Joint Head, Investment Group and Joint Head, Portfolio Strategy & Risk Group at Temasek. He first joined Temasek as Head of the Telecom Media and Technology Group in 2008 and subsequently became Head, India in 2011. He assumed leadership of the Investment Group in 2012, and Portfolio Strategy & Risk Group in 2016.

Before joining Temasek, he spent 11 years working in senior positions at Morgan Stanley, including as Managing Director and Co-Head of Asia Pacific M&A business, based in Hong Kong, and as Head of South East Asia Investment Banking in Singapore. His early career included roles at Citibank and McKinsey & Co in India.

Mr. Sipahimalani graduated with a degree in Economics from St. Stephens College, Delhi and received an MBA from the Indian Institute of Management, Ahmedabad.

**Mr. Chia Chee Meng Timothy, Director**

Mr. Chia is a director of Vertex. He is also Chairman of Hup Soon Global Corporation Private Limited. He sits on the boards of several other private and public companies, including Fraser and Neave, Limited, The Straits Trading Company Limited, Singapore Power Limited, Banyan Tree, Ceylon Guardian Investment Trust PLC, Ceylon Investment PLC and Malaysia Smelting Corporation Berhad. He is a member of the Singapore Indian Development Association (SINDA), an Advisory Council Member of the ASEAN Business Club and a member of the Advisory Board of the Asian Civilisations Museum.

From 1986 to 2004, he was a Director of PAMA Group where he was responsible for private equity investments and served as President from 1995 to 2004. He was previously a member of the Board of Trustees of the Singapore Management University.

Mr. Chia holds a Bachelor of Science cum laude, majoring in Management, from the Fairleigh Dickinson University, USA.

## Executive Officers

The table below sets forth information about the Executive Officers of Vertex as at the date of this Offering Circular:

<u>Name</u>	<u>Position</u>
Ms. Pang Seow Lan . . . . .	Chief Financial Officer
Ms. Tham Sin Hui . . . . .	Managing Director of Investment Support
Ms. Jolyne Boey . . . . .	Managing Director of Human Resources
Mr. Brian Toh . . . . .	Senior Executive Director of Partnership Group

Further information on the Executive Officers of Vertex as at the date of this Offering Circular is set out below:

### **Ms. Pang Seow Lan, Chief Financial Officer**

Ms. Pang oversees the financial reporting, tax and compliance functions. She is deeply involved in the setting up and structuring of Vertex’s various Funds and management entities, including overseeing the legal documentation of various Funds and limited partnerships. She also ensures the Funds and management companies optimise benefits from tax incentives to minimise returns to limited partners.

Prior to joining Vertex Management Pte Ltd (and subsequently redeployed to other Group companies) in 1989, Ms. Pang spent several years with Arthur Andersen & Co and was involved in tax compliance and tax advisory. Ms. Pang graduated from the National University of Singapore with a Bachelor of Accountancy.

### **Ms. Tham Sin Hui, Managing Director of Investment Support**

Ms. Tham heads the Investment Support team at Vertex which supports the documentation, disbursement, divestment and valuation of Vertex’s investment portfolio, while maintaining and tracking the investments data and performance. At the same time, the team handles fund administration for Vertex’s funds, which includes onboarding new investors and performing “know-your-customer” checks, liaising with agents and prepare the necessary regulatory filings, issuing capital calls/distributions and preparing reports to investors.

Prior to joining Vertex in 2000, Ms. Tham was with Vickers Capital Limited (VCap), a business unit under the financial arm of the ST Group/Temasek. She was responsible for VCap’s marketing strategies and at the same time, oversaw its various financing schemes, namely asset-based and working capital financing. Earlier in her career, she worked in personal banking at Hong Kong Bank.

Ms. Tham graduated from the National University of Singapore with a Bachelor of Business Administration.

### **Ms. Jolyne Boey, Managing Director of Human Resources**

Ms. Boey heads the human capital function and provides talent acquisition support to the organisation, not just in Vertex Network Funds but also in the Portfolio Companies.

Prior to joining Vertex in 2014, Ms. Boey was the Regional HR Manager, SEA at Johnson Controls—Global Workplace Solutions, overseeing all full human resource activities including change management, leadership development, organisational design and development. She has also worked in various multi-national companies in the advertising and maritime industries, where she covered the full human resource spectrum for the Asia Pacific region.

Ms. Boey graduated from the National University of Singapore with a Bachelor of Business Administration.

### **Mr. Brian Toh, Senior Executive Director of Partnership Group**

Mr. Toh leads lead the Partnerships, Communities and Communications teams in Singapore which evaluate new investment opportunities and support the General Partners of Vertex’s Network Funds and Portfolio Companies.

Mr. Toh was a consultant at Frost & Sullivan’s Public Sector & Government team, where he worked closely with Vertex’s clientele on business and industry transformation projects. Prior to that, he was engaged in analytical and advisory roles for firms in the financial services industry. Mr Toh read his Masters in Economics at University College London and Bachelors in Chemical Engineering at the National University of Singapore.

## TAXATION

*The following summary of certain tax consequences of the purchase, ownership and disposition of the Securities is based upon laws, regulations, rulings and decisions now in effect, all of which are subject to change (possibly with retroactive effect). The summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Securities and does not purport to deal with the consequences applicable to all categories of investors, some of which may be subject to special rules. Persons considering the purchase of the Securities should consult their own tax advisers concerning the application of tax laws to their particular situations as well as any consequences of the purchase, ownership and disposition of the Securities arising under the laws of any other taxing jurisdiction.*

### **Singapore taxation**

The statements made below are general in nature and are based on current tax laws in Singapore and administrative guidelines and circulars issued by the relevant authorities in force as at the date of this Offering Circular and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars occurring after such date, which changes could be made on a retroactive basis. These laws, guidelines and circulars are also subject to various interpretations and the Singapore tax authorities or the courts may later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Offering Circular are intended or are to be regarded as advice on the tax position of any holder of the 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 tax incentives(s)) may be subject to special rules or tax rates. The statements should not be regarded as advice on the tax position of any person and should be treated with appropriate caution. Holders and prospective holders of the Securities are advised to consult their own professional tax advisers as to the tax consequences of the acquisition, ownership or disposal of the Securities, including the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Arranger, Dealers and any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, acquisition, ownership or disposal of the Securities.

In addition, the disclosure below is on the assumption that the IRAS regards each tranche of the Perpetual Securities as “debt securities” for the purposes of the ITA and/or 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 exemptions and concessions available to qualifying debt securities (provided that the other conditions for the qualifying debt securities scheme are satisfied). If the relevant Tranche of the Perpetual Securities is not regarded as debt securities for the purposes of the ITA or the distribution payments made under the relevant Tranche of the Perpetual Securities are not regarded as interest payable on indebtedness and/or holders thereof are not eligible for the tax exemptions and 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.

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

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

- (a) interest from debt securities derived on or after 1 January 2004;
- (b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and
- (c) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

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

“**prepayment fee**”, in relation to debt securities 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.

In addition, as the Programme as a whole is arranged by DBS Bank Ltd. which is a Financial Sector Incentive (Standard Tier) Company or Financial Sector Incentive (Capital Market) Company (as defined in the ITA) at such time, the Securities (the “**Relevant Securities**”) issued as debt securities under the Programme during the period from the date of this Offering Circular to 31 December 2023 would be qualifying debt securities (subject to further comments below) for the purposes of the ITA, to which the following tax treatment shall apply.

- (i) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Securities as 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 any 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 “**Specified Income**”) from the Relevant Securities 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 MAS may direct, to MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Securities as MAS may require), Specified Income from the Relevant Securities derived by any company or body of persons (as defined in the ITA), is subject to tax at a concessionary rate of 10.0 per cent. (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(iii) subject to:

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

payments of Specified 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 per cent. 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 “qualifying debt securities”; and
- (B) even though a particular tranche of Relevant Securities are “qualifying debt securities”, if, at any time during the tenure of such tranche of Relevant Securities, 50.0 per cent. or more of such Relevant Securities which are outstanding during the life of their issue is beneficially held or funded, directly or indirectly, by related parties of the Issuer, Specified 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.

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Specified Income) is derived from any of 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 “qualifying debt securities” 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. Notwithstanding that the Issuer may be permitted to make payments of Specified Income in respect of the Relevant Securities without deduction or withholding for tax under Section 45 or Section 45A of the ITA, any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Specified Income) derived from the Relevant Securities is not exempt from tax shall include such income in a return of income made under the ITA.

### **Taxation relating to payments on Perpetual Securities**

The ITA currently does not contain specific provisions on how financial instruments that exhibit both debt-like and equity-like features, i.e., hybrid instruments, should be treated for income tax purposes. However, IRAS has published the e-Tax Guide: Income Tax Treatment of Hybrid Instruments (Second Edition) on 21 October 2019 (the “Hybrid Instruments e-Tax Guide”) which sets out the income tax treatment of hybrid instruments, including the factors that IRAS will generally use to determine whether such instruments are debt or equity instruments for income tax purposes.

Among others, the IRAS has stated in the Hybrid Instruments e-Tax Guide that:

- (a) whether or not a hybrid instrument will be treated as debt or equity security for income tax purposes will firstly depend on its legal form, to be determined based on an examination of the legal rights and obligations attached to the instrument;
- (b) a hybrid instrument is generally characterised as equity if the legal terms of the instrument indicate ownership interests in the issuer. If the legal form of a hybrid instrument is not indicative of or does not reflect the legal rights and obligations, the facts and circumstances surrounding the instrument and a combination of factors, not limited to the following, would have to be examined to ascertain the nature of the instrument for income tax purposes.

These factors include (but are not limited to):

- (i) nature of interest acquired;
  - (ii) investor's right to participate in issuer's business;
  - (iii) voting rights conferred by the instrument;
  - (iv) obligation to repay the principal amount;
  - (v) payout;
  - (vi) investor's right to enforce payment;
  - (vii) classification by other regulatory authority; and
  - (viii) ranking for repayment in the event of liquidation or dissolution;
- (c) if a hybrid instrument is characterised as a debt instrument for income tax purposes, distributions from the issuer to the investors are regarded as interest; and
- (d) if a hybrid instrument issued by a company (as defined in the ITA) is characterised as an equity instrument for income tax purposes, distributions from the issuer to the investors are regarded as either dividends or distributions.

### **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, or accruing or derived from outside Singapore and received in or remitted into Singapore, and not otherwise exempt, 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, FRS 109 or Singapore Financial Reporting Standard (International) 9 (“**SFRS(I) 9**”) (as the case may be) for Singapore income tax purposes, may 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, FRS 109 or SFRS(I) 9 (as the case may be). Please see the section below on “Adoption of FRS 39, FRS 109 or SFRS(I) 9 for Singapore Income Tax Purposes”.

### **Adoption of FRS 39, FRS 109 or SFRS(I) 9 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 an e-tax guide entitled “Income Tax Implications Arising from the Adoption of FRS 39—Financial Instruments: Recognition & Measurement”.

FRS 109 or SFRS(I) 9 (as the case may be) 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 or SFRS(I) 9 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 or SFRS(I) 9 (as the case may be), subject to certain exceptions. The IRAS has also issued an e-tax guide 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.

### **Estate Duty**

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

### **The proposed financial transactions tax (“FTT”)**

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

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Securities (including secondary market transactions) in certain circumstances.

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

A joint statement issued on 8 December 2015 by participating Member States (other than Estonia) indicated a high-level agreement on the scope of the FTT. However, the FTT proposal remains subject to negotiation between the participating Member States and the scope of any such tax is uncertain. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

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

### **Foreign Account Tax Compliance Act**

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

Securityholders should consult their own tax advisors regarding how these rules may apply to their investment in the Securities.

## CLEARANCE AND SETTLEMENT

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream and CDP (together, the “**Clearing Systems**”) currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer believes to be reliable, but none of the Issuer, the Arranger, the Trustee, any Agent or any Dealer or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Trustee or the Agents or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Securities held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to, or payments made on account of, such beneficial ownership interests.

### The Clearing Systems

The applicable Pricing Supplement will specify the Clearing System(s) applicable for each Series.

### Euroclear and Clearstream

Euroclear and Clearstream 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 accounts of such participants. Euroclear and Clearstream 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 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 is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream participant, either directly or indirectly.

Distributions of amounts payable with respect to book-entry interests in the Securities held through Euroclear or Clearstream will be credited, to the extent received by any paying agent, to the cash accounts of Euroclear or Clearstream participants in accordance with the relevant Clearing System’s rules and procedures.

### CDP

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 (the “**CDP 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 Global Certificate for persons holding the Securities in securities accounts with CDP (the “**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.

Settlement of over-the-counter trades in the Securities through the CDP System may only be effected through securities sub-accounts held with corporate depositors (the “**Depository Agents**”). Depositors holding Securities in direct securities accounts with CDP, and who wish to trade Securities through the CDP System, must transfer the Securities to a securities sub-account with a Depository Agent for trade settlement.

CDP is not involved in money settlement between the Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payment of interest or distribution, as applicable, 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 in Singapore or any other Agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

## **Book-Entry Ownership**

### **Bearer Securities**

The Issuer may make applications to Euroclear and/or Clearstream for acceptance in their respective book-entry systems in respect of any Series of Bearer Securities. The Issuer may also apply to have Bearer Securities accepted for clearance through CDP. In respect of Bearer Securities, a Temporary Global Security and/or a Permanent Global Security will be deposited with a common depository for Euroclear and/or Clearstream or with CDP. Transfers of interests in a Temporary Global Security or a Permanent Global Security will be made in accordance with the normal market debt securities operating procedures of CDP, Euroclear and Clearstream. Each Global Security will have an International Securities Identification Number (an “ISIN”) and/or a Common Code. Investors in Securities of such Series may hold their interests in a Global Security through Euroclear or Clearstream or CDP, as the case may be.

### **Registered Securities**

The Issuer may make applications to Euroclear and/or Clearstream for acceptance in their respective book-entry systems in respect of the Securities to be represented by a Global Certificate. The Issuer may also apply to have Securities represented by a Global Certificate accepted for clearance through CDP. Each Global Certificate deposited with a common depository for, and registered in the name of, or a nominee of, Euroclear and/or Clearstream and/or CDP will, where applicable, have an ISIN and/or a Common Code. Investors in Securities of such Series may hold their interests in a Global Certificate only through Euroclear or Clearstream or CDP, as the case may be.

Transfers of interests in Global Certificates within CDP, Euroclear and Clearstream will be in accordance with the usual rules and operating procedures of the relevant clearing system. In the case of Registered Securities to be cleared through CDP, Euroclear or Clearstream, transfers may be made at any time by a holder of an interest in a Global Certificate in accordance with the relevant rules and regulations of the applicable clearing systems.

### **Individual Certificates**

Registration of title to Registered Securities in a name other than a depository or its nominee for Euroclear and Clearstream or CDP will be permitted only in the circumstances set forth in “*Summary of Provisions Relating to the Securities while in Global Form—Exchange*”. In such circumstances, the Issuer will cause sufficient individual Certificates to be executed and delivered to the relevant Registrar for completion, authentication and despatch to the relevant Securityholder(s). A person having an interest in a Global Certificate must provide the relevant Registrar with a written order containing instructions and such other information as the Issuer and the relevant Registrar may require to complete, execute and deliver such individual Certificates.

## SUBSCRIPTION AND SALE

Subject to the terms and on the conditions contained in a dealer agreement dated 12 July 2021 (the “**Dealer Agreement**”) between the Issuer, the Arranger and the Permanent Dealers, the Securities will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Securities directly on its own behalf to Dealers that are not Permanent Dealers. The Securities may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Securities may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Securities to be issued in syndicated Tranches that are underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Securities subscribed by it. The Issuer has agreed to reimburse the Arranger for their expenses incurred in connection with the establishment of, and any continuing responsibilities relating to the Programme and the Dealers for certain of their activities in connection with the Programme. The commissions in respect of an issue of Securities on a syndicated basis will be stated in the relevant Subscription Agreement. The Issuer may also from time to time agree with the relevant Dealer(s) that it may pay certain third-party commissions (including, without limitation, rebates to private banks as specified in the applicable Subscription Agreement).

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

The Dealers and certain of their affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. 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, any of the Dealers or their respective affiliates may purchase Securities for its or their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to such Securities and/or other securities of the Issuer or its subsidiaries or affiliates at the same time as the offer and sale of each Tranche of Securities or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Tranche of Securities to which a particular Pricing Supplement relates (notwithstanding that such selected counterparties may also be purchasers of such Tranche of Securities).

Each of the Dealers and its affiliates may also have performed certain investment banking and advisory services for the Issuer and/or its subsidiaries or 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 subsidiaries or affiliates in the ordinary course of their business and receive fees for so acting. While each Dealer and its affiliates have policies and procedures to deal with conflicts of interests, any such transactions may cause a Dealer or its affiliates or its clients or counterparties to have economic interests and incentives which may conflict with those of an investor in the Securities. Each Dealer may receive returns on such transactions and has no obligation to take, refrain from taking or cease taking any action with respect to any such transactions based on the potential effect on a prospective investor in the Securities.

### **Selling Restrictions**

#### **United States**

The Securities have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Securities may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S), 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 under the Securities Act.

The Securities in bearer form 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, and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Dealer Agreement, it will not offer or sell or deliver Securities (i) as part of their

distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the relevant issue date, 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 this paragraph have the meanings given to them by Regulation S.

The Securities are being offered and sold outside of 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 the Securities within the United States by any dealer (whether or not participating in the offering of such tranche of Securities) may violate the registration requirements of the Securities Act.

#### **Prohibition of Sales to EEA Retail Investors**

Unless the applicable Pricing Supplement in respect of any Securities specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities which are the subject of the offering contemplated by this Offering Circular as completed by the applicable Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
  - (i) a retail client as defined in EU MiFID II; or
  - (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II; or
  - (iii) not a qualified investor as defined in the Prospectus Regulation; and
- (b) 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.

If the applicable Pricing Supplement in respect of any Securities specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented and agreed in relation to each Member State of the European Economic Area, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Securities which are the subject of the offering contemplated by this Offering Circular as completed by the applicable Pricing Supplement in relation thereto to the public in that Member State, except that it may make an offer of such Securities to the public in that Member State:

- (a) if the applicable Pricing Supplement in relation to the Securities specifies that an offer of those Securities may be made other than pursuant to Article 1(4) of the EU Prospectus Regulation in that Relevant Member State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Securities which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, provided that any such prospectus has subsequently been completed by the applicable Pricing Supplement contemplating such Non-exempt Offer, in accordance with the EU Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or applicable Pricing Supplement, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
  - (b) at any time to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;
  - (c) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
  - (d) at any time in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,
- provided that no such offer of Securities referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression an “**offer of Securities to the public**” in relation to any Securities in any Member State means 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 for the Securities and, the expression “**EU Prospectus Regulation**” means Regulation (EU) 2017/1129.

## **United Kingdom**

### **Prohibition of Sales to UK Retail Investors**

Unless the applicable Pricing Supplement in respect of any Securities specifies the “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities which are the subject of the offering contemplated by the Offering Circular as completed by the applicable Pricing Supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
  - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or
  - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
  - (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA; and
- (b) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities.

If the applicable Pricing Supplement in respect of any Securities specifies the “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Securities which are the subject of the offering contemplated by the Offering Circular as completed by the applicable Pricing Supplement in relation thereto to the public in the United Kingdom, except that it may make an offer of such Securities to the public in the United Kingdom:

- (a) if the applicable Pricing Supplement in relation to the Securities specify that an offer of those Securities may be made other than pursuant to section 86 of the FSMA (a “**Public Offer**”), following the date of publication of a prospectus in relation to such Securities which either (i) has been approved by the Financial Conduct Authority, or (ii) is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provision in Regulation 74 of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019, provided that any such prospectus has subsequently been completed by final terms contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (c) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom, subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Securities referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA, or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression “**an offer of Securities to the public**” in relation to any Security means 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 for the Securities and the expression “**UK Prospectus Regulation**” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

## Other regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Securities which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any 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 FSMA by the Issuer;
- (b) 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
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom.

## Hong Kong

In relation to each Tranche of Securities issued by the Issuer, 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 other than (a) to “**professional investors**” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “**SFO**”), and any rules made under 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 (the “**C(WUMP)O**”) or which do not constitute an offer to the public within the meaning of the C(WUWP)O; 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 under the SFO.

## Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Securities or caused the Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any Securities or cause the Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other 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 (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “**SFA**”)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, 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 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 or securities-based derivatives contracts (each term as defined in Section 2(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, or to any person arising from an offer referred to in Section 275(1A) or 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 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

*Singapore SFA Product Classification: In connection with Section 309B of the SFA, unless otherwise specified before an offer of Securities, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that all Securities issued or to be issued under the Programme are “prescribed capital markets products” (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).*

## **Japan**

The Securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”). Accordingly, each of the Dealers has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Securities in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident of Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

## **General**

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the applicable Pricing Supplement issued in respect of the issue of Securities to which it relates or in a supplement to this Offering Circular.

Neither the Issuer nor any Dealer makes any representation that any action has been or will be taken in any jurisdiction that would permit a public offering of any of the Securities, or possession or distribution of the Offering Circular or any other offering material, in any country or jurisdiction where action for that purpose is required. Each Dealer has agreed that it shall, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Securities or has in its possession or distributes the Offering Circular, any other offering material, or any applicable Pricing Supplement, in all cases at its own expense.

## FORM OF PRICING SUPPLEMENT IN RELATION TO NOTES

The form of Pricing Supplement that will be issued in respect of each Tranche of Notes other than Perpetual Notes, subject only to the deletion of non-applicable provisions, is set out below:

**[MiFID II product governance/Professional investors and ECPs only target market]**—Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes 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 Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative market*] Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[‘s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[‘s/s’] target market assessment) and determining appropriate distribution channels.]

**[UK MIFIR product governance/Professional investors and ECPs only target market]**—Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative market*] Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[‘s/s’] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[‘s/s’] target market assessment) and determining appropriate distribution channels.]

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS]**—The Notes 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 (the “**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; (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution 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 Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

**[PROHIBITION OF SALES TO UK RETAIL INVESTORS]**—The Notes 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 United Kingdom (the “**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA (the “**UK Prospectus Regulation**”). Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

**[NOTIFICATION UNDER SECTION 309B OF THE SECURITIES AND FUTURES ACT, CHAPTER 289 OF SINGAPORE]**—The Notes are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]<sup>1</sup>

<sup>1</sup> For any Notes to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the Notes pursuant to Section 309B of the SFA prior to the launch of the offer.

**Pricing Supplement dated [●]**

**Vertex Venture Holdings Ltd**

**Issue of [Aggregate Principal Amount of Tranche] [Title of Notes]  
under the U.S.\$2,000,000,000 Multicurrency Debt Issuance Programme**

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

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the “**Conditions**”) set forth in the Offering Circular dated 12 July 2021 [and the supplemental Offering Circular dated [●]]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular [as so supplemented].

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

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the “**Conditions**”) set forth in the Offering Circular dated 12 July 2021. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular dated [current date] [and the supplemental Offering Circular dated [●]], save in respect of the Conditions which are extracted from the Offering Circular dated [●] and are attached hereto.]

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

Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act, Chapter 134 of Singapore (the “**ITA**”), shall not apply if such person acquires such Notes using the funds and profits of such person’s operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.]

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

1	Issuer:	Vertex Venture Holdings Ltd
2	(i) Series Number:	[●]
	(ii) [Tranche Number: <i>(If fungible with an existing Series, details of that Series, including the date on which the Notes became fungible.)</i> ]	[●]
3	Currency or Currencies:	[●]
4	Aggregate Principal Amount:	
	(i) Series:	[●]
	(ii) [Tranche:	[●]]
5	(i) Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] <i>(in the case of fungible issues only, if applicable)</i> ]
	(ii) [Net Proceeds:	[Approximately] [●]]
6	(i) Denomination Amount:	[●] <sup>2</sup>
	(ii) Calculation Amount:	[●]

<sup>2</sup> If the Denomination Amount is expressed to be €100,000 or its equivalent and multiples of a lower nominal amount (for example €1,000), insert the following: “€100,000 plus integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000]”.

Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).

7	(i) Issue Date:	[●]
	(ii) Interest Commencement Date:	[Specify/Issue date/Not Applicable] (N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)
8	Maturity Date:	[specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year] <sup>3</sup>
9	Interest Basis:	[[●] per cent. Fixed Rate [[specify reference rate] +/- [●] per cent. Floating Rate] [Variable Rate] [Hybrid] [Zero Coupon] [Other (specify)] (further particulars specified below)
10	Redemption/Payment Basis:	[Redemption at par] [Other (specify)]
11	Redemption Amount (including early redemption):	[Denomination Amount/ [others]] [Specify early redemption amount if different from final redemption amount or if different from that set out in the Conditions]
12	Change of Interest or Redemption/ Payment Basis:	[Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis]
13	Put/Call Options:	[Redemption at the Option of the Issuer] [Redemption at the Option of the Securityholders] [Redemption for Taxation Reasons] [Redemption in the case of Minimum Outstanding Amount] [(further particulars specified below)]
14	Status of the Notes:	Senior
15	Listing and admission to trading:	[[●] (specify)/None]
16	Method of distribution:	[Syndicated/Non-syndicated]

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

17	Fixed Rate Note Provisions:	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
	(i) Interest Rate:	[●] per cent. per annum [payable [annually/ semi-annually/quarterly/monthly] in arrear]
	(ii) Interest Payment Date(s):	[●] in each year [adjusted in accordance with [specify Business Day Convention]/[not adjusted]]
	(iii) Fixed Coupon Amount[(s)]:	[●] per Calculation Amount <sup>4</sup>
	(iv) Initial Broken Amount:	[●]
	(v) Final Broken Amount:	[●]
	(vi) Day Count Fraction:	[30/30E/360/Actual/Actual(ICMA/ISDA)/other]
	(vii) Other terms relating to the method of calculating interest for Fixed Rate Notes:	[Not Applicable/give details]

<sup>3</sup> Note that Renminbi or Hong Kong Dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification it will be necessary to use the second option.

<sup>4</sup> For Renminbi or Hong Kong Dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification the following alternative wording is appropriate: "Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure, in the case of Renminbi denominated Fixed Rate Notes, to the nearest CNY0.01, CNY0.005 being rounded upwards or, in the case of Hong Kong dollar denominated Fixed Rate Notes, to the nearest HK\$0.01, HK\$0.005 being rounded upwards".

18	Floating Rate Note Provisions <sup>5</sup> :	[Applicable/Not Applicable] (If not applicable, delete the remaining subparagraphs of this paragraph.)
	(i) Redemption Month:	[●]
	(ii) Specified Number of Months (Interest Period):	[●]
	(iii) Specified Interest Payment Dates:	[●]
	(iv) Business Day Convention:	[Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
	(v) Manner in which the Rate(s) of Interest is/ are to be determined:	[Screen Rate Determination/ISDA Determination/ other (give details)]
	(vi) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent):	[●]
	(vii) Screen Rate Determination:	
	— Reference Rate:	[●] (Either LIBOR, EURIBOR, HIBOR, CNH HIBOR, SIBOR or SOR or other, although additional information is required if other)
	— Interest Determination Date(s):	[●] (the day falling two Business Days in London for the Currency prior to the first day of such Interest Period if the Currency is not Sterling, Euro or Hong Kong Dollars or first day of each Interest Period if the Currency is Sterling or Hong Kong Dollars or the day falling two TARGET Business Days prior to the first day of such Interest Period if the Currency is Euro)
	— Relevant Screen Page:	[●] (In the case of EURIBOR, if not Reuters Page EURIBOR 01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)]
	(viii) ISDA Determination:	
	— Floating Rate Option:	[●]
	— Designated Maturity:	[●]
	— Reset Date:	[●]
	— ISDA Definitions:	2006 (if different to those set out in the Conditions, please specify)
	(ix) Benchmark:	[LIBOR, EURIBOR, HIBOR, CNH HIBOR, SIBOR, Swap Rate or other benchmark]
	(x) Reference Banks:	[Specify three]
	(xi) Relevant Time:	[●]
	(xii) Relevant Financial Centre:	[The financial centre most closely connected to the Benchmark—specify if not Singapore]

<sup>5</sup> LIBOR is due to be discontinued by the end of 2021 and should not be used for Notes with maturities that fall after 31 December 2021.

	(xiii) Margin(s):	[+/-][●] per cent. per annum
	(xiv) Minimum Rate of Interest:	[●] per cent. per annum
	(xv) Maximum Rate of Interest:	[●] per cent. per annum
	(xvi) Day Count Fraction:	[●]
	(xvii) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[●]
19	Variable Rate Note Provisions:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
	(i) Redemption Month:	[Month and year]
	(ii) Interest Determination Date:	[●] Business Days prior to the first day of each Interest Period
	(iii) Day Count Fraction:	[●]
	(iv) Specified Number of Months (Interest Period):	[●]
	(v) Specified Interest Payment Dates:	[●]
	(vi) Business Day Convention:	[Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other <i>(give details)</i> ]
	(vii) Benchmark:	[SIBOR, Swap Rate or other benchmark]
	(viii) Primary Source:	[Specify relevant screen page or “Reference Banks”]
	(ix) Reference Banks:	[Specify three]
	(x) Relevant Time:	[●]
	(xi) Relevant Financial Centre:	[The financial centre most closely connected to the Benchmark—specify if not Singapore]
	(xii) Spread:	[+/-] [●] per cent. per annum
	(xiii) Minimum Rate of Interest:	[●] per cent. per annum
	(xiv) Maximum Rate of Interest:	[●] per cent. per annum
20	Hybrid Note Provisions:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
	(i) Fixed Rate Period:	[●]
	(ii) Floating Rate Period:	[●]
	(iii) Maturity Date:	[●]
	(iv) Redemption Month:	[Month and year]
	(v) Interest Determination Date:	[●] Business Days prior to the first day of each Interest Period
	(vi) Day Count Fraction:	[●]
	(vii) Interest Payment Date(s):	[●]
	(viii) Initial Broken Amount:	[●]

(ix)	Final Broken Amount:	[●]
(x)	Interest Rate:	[●] per cent. per annum
(xi)	Specified Number of Months (Interest Period):	[●]
(xii)	Specified Interest Payment Dates:	[●]
(xiii)	Business Day Convention:	[Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other ( <i>give details</i> )]
(xiv)	Benchmark:	[SIBOR, SWAP RATE or other benchmark]
(xv)	Primary Source:	[specify relevant screen page or “Reference Banks”]
(xvi)	Relevant Time:	[●]
(xvii)	Relevant Financial Centre:	[The financial centre most closely connected to the Benchmark—specify if not Singapore]
(xviii)	Reference Banks:	[specify three]
(xix)	Spread:	[+/-] [●] per cent. per annum
(xx)	Minimum Rate of Interest:	[●] per cent. per annum
(xxi)	Maximum Rate of Interest:	[●] per cent. per annum
(xxii)	Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Hybrid Notes during the Floating Rate Period, if different from those set out in the Conditions:	[●]
21	Zero Coupon Note Provisions:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
	(i) Amortisation Yield:	[●] per cent. per annum
	(ii) Any other formula/basis of determining amount payable:	[●]
	(iii) Day Count Fraction:	[●]
	(iv) Any amount payable under Condition 7(h) (Default interest on the Notes):	[●]

#### **PROVISIONS RELATING TO REDEMPTION**

22	Redemption at the Option of the Issuer:	[Yes/No] [on [specify optional redemption dates]]
	- Issuer’s Redemption Option Period (Condition 6(b)):	[Specify maximum and minimum number of days for notice period] [Specify redemption in whole only or in whole or partial as notified by the Issuer]
23	Redemption at the Option of the Securityholders:	[Yes/No] [on [specify optional redemption dates]]
	- Securityholders’ Redemption Option Period (Condition 6(c)):	[Specify maximum and minimum number of days for notice period]
24	Redemption for Taxation Reasons:	[Yes/No] [Specify if Notes can be redeemed on any date(s) other than Interest Payment Dates in accordance with the Conditions]

- 25 Redemption in the case of Minimum Outstanding Amount: [Yes/No]  
[Specify if Notes can be redeemed on any date(s) other than Interest Payment Dates in accordance with the Conditions]
- 26 Redemption Amount of each Note: [●] per Calculation Amount
- 27 Early Redemption Amount per Calculation Amount payable on Zero Coupon Notes and/or the method of calculating the same (if different from that set out in the Conditions): [●] / [Not Applicable]

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 28 Form of Notes: [Bearer Notes/Registered Notes][Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]  
  
[Temporary Global Note exchangeable for Definitive Notes on [●] days' notice] (*For this option to be available, such Notes shall only be issued in denominations that are equal to, or greater than, €100,000 (or its equivalent in other currencies) and integral multiples thereof*)  
  
[Permanent Global Note/Global Certificate exchangeable for Definitive Notes in the limited circumstances specified in the permanent Global Note/Global Certificate]  
  
*(N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Denomination Amount of the Notes in paragraph 6 includes language substantially to the following effect: "€100,000 plus integral multiples of €1,000 in excess thereof up to and including €199,000." Furthermore, such Denomination Amount construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)*  
  
[Definitive Notes]
- 29 Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
- 30 Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions [annexed to this Pricing Supplement] apply]
- 31 Consolidation provisions: [Not Applicable/The provisions [in Condition [●]] [annexed to this Pricing Supplement] apply]
- 32 Private Banking Rebate: [Applicable/Not Applicable]
- 33 Use of Proceeds: [As per the Offering Circular/give details]
- 34 Other terms or special conditions: [Not Applicable/give details]

#### DISTRIBUTION

- 35 (i) If syndicated, names of Managers: [Not Applicable/give name]  
(ii) Stabilising Manager (if any): [Not Applicable/give name]

36	If non-syndicated, name of Dealer:	[Not Applicable/ <i>give name</i> ]
37	U.S. selling restrictions:	[Reg. S Category 1/2; TEFRA D/TEFRA C/TEFRA Not Applicable] The Notes are being offered and sold only in accordance with Regulation S.
38	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable]
39	Prohibition of Sales to UK Retail Investors:	[Applicable/Not Applicable]
40	Additional selling restrictions:	[Not Applicable/ <i>give details</i> ]
41	Approved Jurisdictions (marketing in European Union member states only):	[Not Applicable] [Belgium/France/Germany/Italy/Luxembourg/Netherlands/Portugal/Spain/Sweden/United Kingdom]

#### OPERATIONAL INFORMATION

42	ISIN Code:	[●]
43	Common Code:	[●]
44	Legal Entity Identifier (LEI):	984500586C98CD9LB416
45	Any clearing system(s) other than Euroclear, Clearstream or CDP and the relevant identification number(s):	[Not Applicable/ <i>give name(s) and number(s)</i> ]
46	Delivery:	Delivery [against/free of] payment
47	Additional Paying Agent(s) (if any):	[Not Applicable/ <i>give name</i> ]

#### GENERAL

48	Applicable governing document:	Trust Deed dated 12 July 2021 [and Singapore Supplemental Trust Deed dated 12 July 2021]
49	The aggregate principal amount of Notes in the Currency issued has been translated into S\$ at the rate specified, producing a sum of:	[Not applicable/Exchange rate of Currency: S\$/ S\$ equivalent: [●]]
50	In the case of Registered Notes, specify the location of the office of the Registrar if other than Dublin or Singapore:	[●]
51	In the case of Bearer Notes, specify the location of the office of the Issuing and Paying Agent if other than London or Singapore:	[●]
52	Ratings:	The Notes to be issued are [unrated/expected to be rated [●]].
53	Governing Law:	[English law] [Singapore law]

#### PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for issue and admission to trading on the Singapore Exchange Securities Trading Limited of the Notes described herein pursuant to the U.S.\$2,000,000,000 Multicurrency Debt Issuance Programme of Vertex Venture Holdings Ltd.

#### [STABILISATION

In connection with this issue, [insert name of Stabilising Manager] (the “**Stabilising Manager**”) (or persons acting on behalf of any Stabilising Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of a Stabilising Manager) will

undertake any stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager (or persons acting on behalf of any Stabilising Manager) in accordance with all applicable laws and rules.]

## **INVESTMENT CONSIDERATIONS**

There are significant risks associated with the Notes including, but not limited to, counterparty risk, country risk, price risk and liquidity risk. Investors should contact their own financial, legal, accounting and tax advisers about the risks associated with an investment in these Notes, the appropriate tools to analyse that investment, and the suitability of the investment in each investor's particular circumstances. No investor should purchase the Notes unless that investor understands and has sufficient financial resources to bear the price, market liquidity, structure and other risks associated with an investment in these Notes.

Before entering into any transaction, investors should ensure that they fully understand the potential risks and rewards of that transaction and independently determine that the transaction is appropriate given their objectives, experience, financial and operational resources and other relevant circumstances. Investors should consider consulting with such advisers as they deem necessary to assist them in making these determinations.

**RESPONSIBILITY**

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

Signed on behalf of VERTEX VENTURE HOLDINGS LTD as Issuer

By: \_\_\_\_\_  
Duly authorised

By: \_\_\_\_\_  
Duly authorised

## FORM OF PRICING SUPPLEMENT IN RELATION TO PERPETUAL SECURITIES

The form of Pricing Supplement that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:

**[MiFID II product governance/Professional investors and ECPs only target market]**—Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Perpetual Securities has led to the conclusion that: (i) the target market for the Perpetual 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 Perpetual Securities to eligible counterparties and professional clients are appropriate. [*Consider any negative market*] Any person subsequently offering, selling or recommending the Perpetual Securities (a “**distributor**”) should take into consideration the manufacturer[‘s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Perpetual Securities (by either adopting or refining the manufacturer[‘s/s’] target market assessment) and determining appropriate distribution channels.]

**[UK MIFIR product governance/Professional investors and ECPs only target market]**—Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Perpetual Securities has led to the conclusion that: (i) the target market for the Perpetual Securities is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018; and (ii) all channels for distribution of the Perpetual Securities to eligible counterparties and professional clients are appropriate. [*Consider any negative market*] Any person subsequently offering, selling or recommending the Perpetual Securities (a “**distributor**”) should take into consideration the manufacturer[‘s/s’] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Perpetual Securities (by either adopting or refining the manufacturer[‘s/s’] target market assessment) and determining appropriate distribution channels.]

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS]**—The Perpetual 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 (the “**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; (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution 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 Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIPs Regulation**”) for offering or selling the Perpetual Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Perpetual Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIPs Regulation.]

**[PROHIBITION OF SALES TO UK RETAIL INVESTORS]**—The Perpetual 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 United Kingdom (the “**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA (the “**UK Prospectus Regulation**”). Consequently no key information document required by the PRIPs Regulation as it forms part of domestic law by virtue of the EUWA (the “**UK PRIPs Regulation**”) for offering or selling the Perpetual Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Perpetual Securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIPs Regulation.]

**[NOTIFICATION UNDER SECTION 309B OF THE SECURITIES AND FUTURES ACT, CHAPTER 289 OF SINGAPORE]**—The Perpetual Securities are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore and Excluded Investment

Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).<sup>1</sup>

**Pricing Supplement dated [●]**

**Vertex Venture Holdings Ltd**

**Issue of [Aggregate Principal Amount of Tranche] [Title of Perpetual Securities]  
under the U.S.\$2,000,000,000 Multicurrency Debt Issuance Programme**

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

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Perpetual Securities (the “**Conditions**”) set forth in the Offering Circular dated 12 July 2021 [and the supplemental Offering Circular dated [●]]. This Pricing Supplement contains the final terms of the Perpetual Securities and must be read in conjunction with such Offering Circular [as so supplemented].

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

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Perpetual Securities (the “**Conditions**”) set forth in the Offering Circular dated 12 July 2021. This Pricing Supplement contains the final terms of the Perpetual Securities and must be read in conjunction with the Offering Circular dated [current date] [and the supplemental Offering Circular dated [●]], save in respect of the Conditions which are extracted from the Offering Circular dated [●] and are attached hereto.]

[[An advance tax ruling [will be / has been] [requested/obtained] from the Inland Revenue Authority of Singapore (“**IRAS**”) [to confirm/which confirms], amongst other things, [whether/that] the IRAS would regard the Perpetual Securities as “debt securities” for the purposes of Section 43N(4) of the Income Tax Act, Chapter 134 of Singapore (the “**Income Tax Act**”) and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations and/or [whether/that] the distributions (including any Optional Distributions) will be regarded as interest payable on indebtedness and will enjoy the tax concessions and exemptions available for qualifying debt securities under the Income Tax Act, assuming that the other requisite conditions for the Perpetual Securities to be qualifying debt securities are satisfied.]

[There is no guarantee (i) that the IRAS will agree to provide the rulings sought or (ii) that the rulings issued will be in accordance with the rulings sought.]

[If the Perpetual Securities are not regarded as “debt securities” for the purposes of the Income Tax Act and/or the distributions (including any Optional Distributions) are not regarded as interest payable on indebtedness and/or the Perpetual Securityholders are not eligible for the tax concessions and exemptions available for qualifying debt securities under the Income Tax Act, the tax treatment for the Perpetual Securityholders may differ.]

No assurance, warranty or guarantee is given on the tax treatment for the Perpetual Securityholders in respect of the distributions payable to them (including any Optional Distributions). It is recommended that persons proposing to subscribe for or purchase the Perpetual Securities consult their own legal and other advisers before purchasing or acquiring the Perpetual Securities. Such persons are also advised to consult their own tax advisers concerning the tax consequences of the acquisition, ownership or disposal of the Perpetual Securities.

[The following language applies if the IRAS regards the Perpetual Securities as “debt securities” for the purpose of Section 43N(4) of the Income Tax Act and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations and the Perpetual Securities are intended to be Qualifying Debt Securities for the purposes of the Income Tax Act.]

Where interest (including distributions which are regarded as interest for Singapore income tax purposes), discount income, prepayment fee, redemption premium or break cost is derived from any of the Perpetual Securities by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act, Chapter 134 of Singapore (the “**Income Tax Act**”), shall not apply if such person acquires such Perpetual Securities using the funds and profits of such person’s operations through a permanent establishment in Singapore. Any person whose interest (including distributions which are regarded as interest for Singapore income tax purposes), discount income, prepayment fee, redemption premium or break cost derived from the Perpetual Securities is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the Income Tax Act.]]

<sup>1</sup> For any Perpetual Securities to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the Perpetual Securities pursuant to Section 309B of the SFA prior to the launch of the offer.

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

1	Issuer:	Vertex Venture Holdings Ltd
2	(i) Series Number:	[●]
	(ii) [Tranche Number: <i>(If fungible with an existing Series, details of that Series, including the date on which the Perpetual Securities became fungible.)</i> ]	[●]
3	Currency or Currencies:	[●]
4	Aggregate Principal Amount:	
	(i) Series:	[●]
	(ii) [Tranche:	[●]]
5	(i) Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i> (in the case of <i>fungible issues only, if applicable</i> )]
	(ii) Net Proceeds:	[Approximately] [●]
6	(i) Denomination Amount:	[●] <sup>2</sup>
	(ii) Calculation Amount:	[●]
7	(i) Issue Date:	[●]
	(ii) Distribution Commencement Date:	[Specify/Issue date/Not Applicable]
	(iii) First Call Date:	[Specify/Not Applicable]
8	Maturity Date:	<i>[Specify date or (for Floating Rate Perpetual Securities) Distribution Payment Date falling in or nearest to the relevant month and year]</i> <sup>3</sup>
9	Distribution Basis:	[[●] per cent. Fixed Rate [[ <i>specify reference rate</i> ] +/- [●] per cent. Floating Rate] (further particulars specified below)
10	Redemption/Payment Basis:	[Redemption at par] [Other ( <i>specify</i> )]
11	Redemption Amount (including early redemption):	[Denomination Amount/ [others]] [Specify early redemption amount if different from final redemption amount or if different from that set out in the Conditions]

<sup>2</sup> If the Denomination Amount is expressed to be €100,000 or its equivalent and multiples of a lower nominal amount (for example €1,000), insert the following: “€100,000 plus integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Perpetual Securities in definitive form will be issued with a denomination above [€199,000]”.

Perpetual Securities (including Perpetual Securities denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).

<sup>3</sup> Note that Renminbi or Hong Kong Dollar denominated Fixed Rate Perpetual Securities where the Interest Payment Dates are subject to notification it will be necessary to use the second option.

12	Put/Call Options:	[Redemption at the Option of the Issuer] [Redemption for Taxation Reasons] [Redemption for Accounting Reasons] [Redemption for Tax Deductibility] [Redemption in the case of Minimal Outstanding Amount]  [Redemption upon a Ratings Event] [(further particulars specified below)]
13	Status of Perpetual Securities:	[Senior Perpetual Securities/Subordinated Perpetual Securities]
14	Parity Obligations (in addition to those specified in the Conditions):	[[●]/None]
15	Junior Obligations (in addition to those specified in the Conditions):	[[●]/None]
16	Listing and admission to trading:	[[●] ( <i>specify</i> )/None]
17	Method of distribution:	[Syndicated/Non-syndicated]

#### PROVISIONS RELATING TO DISTRIBUTION PAYABLE

18	Fixed Rate Perpetual Security Provisions:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Distribution Rate[(s)]:	[●] per cent. per annum [payable [annually/ semi-annually/quarterly/monthly] in arrear]
	(ii) Distribution Payment Date(s):	[●] in each year [ <i>adjusted in accordance with [specify Business Day Convention]/[not adjusted]</i> ]
	(iii) Initial Broken Amount:	[●]
	(iv) Final Broken Amount:	[●]
	(v) Day Count Fraction:	[30/30E/360/Actual/Actual(ICMA/ISDA)/other]
	(vi) First Reset Date:	[●]
	(vii) Reset Date:	[●]
	(viii) Reset Distribution Rate:	[●]
	(ix) Initial Spread:	[●]
	(x) Reset Period:	[●]
	(xi) Step-Up Margin:	[●]
	(xii) Step-up Date:	[●]
	(xiii) Relevant Rate:	[●]
	(xiv) Other terms relating to the method of calculating distribution for Fixed Rate Perpetual Securities:	[Not Applicable/ <i>give details</i> ]
19	Floating Rate Perpetual Security Provisions <sup>4</sup> :	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph.)</i>
	(i) Specified Number of Months (Distribution Period):	[●]
	(ii) Specified Distribution Payment Dates:	[●]

<sup>4</sup> LIBOR is due to be discontinued by the end of 2021.

- (iii) Business Day Convention: [Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/ other (*give details*)]
- (iv) Manner in which the Distribution Rate(s) is/are to be determined: [Screen Rate Determination/ISDA Determination/other (*give details*)]
- (v) Party responsible for calculating the Distribution Rate(s) and Amount(s) (if not the Calculation Agent): [●]
- (vi) Distribution Determination Date: [●] Business Days prior to the first day of each Distribution Period
- (vii) Screen Rate Determination:
- Reference Rate: [●]  
(*Either LIBOR, EURIBOR, HIBOR, CNH HIBOR, SIBOR or SOR or other, although additional information is required if other*)
  - Distribution Determination Date(s): [●]  
(the day falling two Business Days in London for the Currency prior to the first day of such Distribution Period if the Currency is not Sterling, Euro or Hong Kong Dollars or first day of each Distribution Period if the Currency is Sterling or Hong Kong Dollars or the day falling two TARGET Business Days prior to the first day of such Distribution Period if the Currency is Euro)
  - Relevant Screen Page: [●]  
(*In the case of EURIBOR, if not Reuters Page EURIBOR 01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately*)
- (viii) ISDA Determination:
- Floating Rate Option: [●]
  - Designated Maturity: [●]
  - Reset Date: [●]
  - ISDA Definitions: 2006 (if different to those set out in the Conditions, please specify)
- (ix) Benchmark: [LIBOR, EURIBOR, HIBOR, CNH HIBOR, SIBOR, Swap Rate or other benchmark]
- (x) Reference Banks: [Specify three]
- (xi) Relevant Time: [●]
- (xii) Relevant Financial Centre: [The financial centre most closely connected to the Benchmark—specify if not Singapore]
- (xiii) Margin(s): [+/-][●] per cent. per annum
- (xiv) Minimum Distribution Rate: [●] per cent. per annum
- (xv) Maximum Distribution Rate: [●] per cent. per annum
- (xvi) Day Count Fraction: [●]
- (xvii) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Perpetual Securities, if different from those set out in the Conditions: [●]

- 20 Others:
- (i) Distribution Deferral: [Applicable / Not Applicable]
  - (ii) Non-Cumulative Deferral: [Applicable / Not Applicable]
  - (iii) Cumulative Deferral: [Applicable / Not Applicable]
  - (iv) Dividend Stopper: [Applicable/Not Applicable]
  - (v) Dividend Pusher and Reference Period: [Applicable. [●] months/Not Applicable]
  - (vi) Additional Distribution: [Applicable/Not Applicable]

#### PROVISIONS RELATING TO REDEMPTION

- 21 Redemption at the Option of the Issuer  
- Issuer's Redemption Option Period  
(Condition 5(b)): [Yes/No] [on [specify optional redemption dates]]  
[Specify maximum and minimum number of days for notice period] [Specify redemption in whole only or in whole or partial as notified by the Issuer]
- 22 Redemption for Taxation Reasons: [Yes/No]  
[Specify if Perpetual Securities can be redeemed on any date(s) other than Distribution Payment Dates in accordance with the Conditions]
- 23 Redemption for Accounting Reasons: [Yes/No]  
[Specify if Perpetual Securities can be redeemed on any date(s) other than Distribution Payment Dates in accordance with the Conditions]
- 24 Redemption for Tax Deductibility: [Yes/No]  
[Specify if Perpetual Securities can be redeemed on any date(s) other than Distribution Payment Dates in accordance with the Conditions]
- 25 Redemption in the case of Minimal Outstanding Amount: [Yes/No]  
[Specify if Perpetual Securities can be redeemed on any date(s) other than Distribution Payment Dates in accordance with the Conditions]
- 26 Redemption upon a Ratings Event: [Yes/No]  
[Specify if Perpetual Securities can be redeemed on any date(s) other than Distribution Payment Dates in accordance with the Conditions]
- 27 Redemption Amount of each Perpetual Security: [●] per Calculation Amount

#### GENERAL PROVISIONS APPLICABLE TO THE PERPETUAL SECURITIES

- 28 Form of Perpetual Securities: [Bearer Perpetual Securities/Registered Perpetual Securities]  
  
[Temporary Global Security exchangeable for a Permanent Global Perpetual Security which is exchangeable for Definitive Perpetual Securities in the limited circumstances specified in the Permanent Global Security]  
  
[Temporary Global Security exchangeable for Definitive Perpetual Securities on [●] days' notice] (*For this option to be available, such Perpetual Securities shall only be issued in denominations that are equal to, or greater than, €100,000 (or its equivalent in other currencies) and integral multiples thereof*)

[Permanent Global Security /Global Certificate exchangeable for Definitive Perpetual Securities in the limited circumstances specified in the permanent Global Security/Global Certificate]

*(N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Denomination Amount of the Perpetual Securities in paragraph 6 includes language substantially to the following effect: “€100,000 plus integral multiples of €1,000 in excess thereof up to and including €199,000.” Furthermore, such Denomination Amount construction is not permitted in relation to any issue of Perpetual Securities which is to be represented on issue by a temporary Global Perpetual Security exchangeable for Definitive Perpetual Securities.)*

[Definitive Perpetual Securities]

- 29 Talons for future Coupons to be attached to Definitive Perpetual Securities (and dates on which such Talons mature): [Yes/No. If yes, give details]
- 30 Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions [annexed to this Pricing Supplement] apply]
- 31 Consolidation provisions: [Not Applicable/The provisions [in Condition [●]] [annexed to this Pricing Supplement] apply]
- 32 Private Banking Rebate: [Applicable/Not Applicable]
- 33 Use of Proceeds: [As per the Offering Circular/give details]
- 34 Other terms or special conditions: [Not Applicable/give details]

#### **DISTRIBUTION**

- 35 (i) If syndicated, names of Managers: [Not Applicable/give name]
- (ii) Stabilising Manager (if any): [Not Applicable/give name]
- 36 If non-syndicated, name of Dealer: [Not Applicable/give name]
- 37 U.S. selling restrictions: [Reg. S Category 1/2; TEFRA D/TEFRA C/ TEFRA Not Applicable] The Perpetual Securities are being offered and sold only in accordance with Regulation S.
- 38 Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]
- 39 Prohibition of Sales to UK Retail Investors: [Applicable/Not Applicable]
- 40 Additional selling restrictions: [Not Applicable/give details]
- 41 Approved Jurisdictions (marketing in European Union member states only): [Not Applicable]  
[Belgium/France/Germany/Italy/Luxembourg/  
Netherlands/Portugal/Spain/Sweden/  
United Kingdom]

#### **OPERATIONAL INFORMATION**

- 42 ISIN Code: [●]
- 43 Common Code: [●]
- 44 Legal Entity Identifier (LEI): 984500586C98CD9LB416
- 45 Any clearing system(s) other than Euroclear, Clearstream or CDP and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

- 46 Delivery: Delivery [against/free of] payment
- 47 Additional Paying Agent(s) (if any): [Not Applicable/*give name*]

## GENERAL

- 48 Applicable governing document: Trust Deed dated 12 July 2021 [and Singapore Supplemental Trust Deed dated 12 July 2021]
- 49 The aggregate principal amount of Perpetual Securities in the Currency issued has been translated into S\$ at the rate specified, producing a sum of: [Not applicable/Exchange rate of Currency: S\$/S\$ equivalent: [●]]
- 50 In the case of Registered Perpetual Securities, specify the location of the office of the Registrar if other than Dublin or Singapore: [●]
- 51 In the case of Bearer Perpetual Securities, specify the location of the office of the Issuing and Paying Agent if other than London or Singapore: [●]
- 52 Ratings: The Perpetual Securities to be issued are [unrated/expected to be rated [●]].
- 53 Governing Law: [English law, except that the subordination provisions set out in Condition 3(b) shall be governed by and construed in accordance with the laws of Singapore.] [Singapore law]

## PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for issue and admission to trading on the Singapore Exchange Securities Trading Limited of the Perpetual Securities described herein pursuant to the U.S.\$2,000,000,000 Multicurrency Debt Issuance Programme of Vertex Venture Holdings Ltd.

## [STABILISATION]

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

## INVESTMENT CONSIDERATIONS

There are significant risks associated with the Perpetual Securities including, but not limited to, counterparty risk, country risk, price risk and liquidity risk. Investors should contact their own financial, legal, accounting and tax advisers about the risks associated with an investment in these Perpetual Securities, the appropriate tools to analyse that investment, and the suitability of the investment in each investor’s particular circumstances. No investor should purchase the Perpetual Securities unless that investor understands and has sufficient financial resources to bear the price, market liquidity, structure and other risks associated with an investment in these Perpetual Securities.

Before entering into any transaction, investors should ensure that they fully understand the potential risks and rewards of that transaction and independently determine that the transaction is appropriate given their objectives, experience, financial and operational resources and other relevant circumstances. Investors should consider consulting with such advisers as they deem necessary to assist them in making these determinations.

**RESPONSIBILITY**

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

Signed on behalf of VERTEX VENTURE HOLDINGS LTD as Issuer

By: \_\_\_\_\_  
Duly authorised

By: \_\_\_\_\_  
Duly authorised

## GENERAL INFORMATION

- (1) Application has been made for permission to deal in, and for quotation of, any Securities which are agreed at the time of issue to be listed on the SGX-ST. There can be no assurance that the application to the SGX-ST will be approved. If the application to the SGX-ST to list a particular Series of Securities is approved, and the rules of the SGX-ST so require, such Securities will be traded on the SGX-ST in a minimum board lot size of S\$200,000 or its equivalent in other specified currencies.
- (2) The Issuer has obtained all necessary consents, approvals and authorisations in Singapore in connection with the establishment of the Programme. The establishment of the Programme was authorised by resolutions of the Board of Directors of the Issuer passed on 5 July 2021.
- (3) Except as disclosed in this Offering Circular, there has been no significant change in the financial or trading position of the Issuer or the Group since 31 December 2020 and no material adverse change in the prospects of the Issuer or the Group since 31 December 2020.
- (4) Except as disclosed in this Offering Circular, there are no legal or arbitration proceedings pending or, so far as the Issuer is aware, threatened against the Issuer or any member of the Group the outcome of which, in the opinion of the Issuer, may have or have had during the 12 months prior to the date of this Offering Circular a material adverse effect on the financial position of the Issuer or the Group, taken as a whole.
- (5) Each Bearer Security having a maturity of more than one year, Coupon and Talon will bear the following legend: “Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code”.
- (6) The Securities may be accepted for clearance through Euroclear, Clearstream and CDP. The relevant ISIN and common code in relation to the Securities of each Tranche will be specified in the applicable Pricing Supplement. The applicable Pricing Supplement shall specify any other clearing system as shall have accepted the relevant Securities for clearance together with any further appropriate information.
- (7) The legal entity identifier (“**LEI**”) is 984500586C98CD9LB416 in respect of the Issuer.
- (8) For so long as Securities may be issued pursuant to this Offering Circular, the following documents will be available, at all reasonable times during normal business hours (being between 9:00 a.m. and 3:00 p.m.) on any weekday (Saturdays, Sundays and public holidays excepted), for inspection upon prior written request and satisfactory proof of holding and identity at the specified office of the Trustee (and in the case of the documents mentioned below in (iii)-(v) so long as those are provided to the Trustee), as at the date of this Offering Circular, as set out at the end of this Offering Circular:
  - (i) the Trust Deed (which includes the form of the Global Securities, the definitive Bearer Securities, the Certificates, the Coupons and the Talons) and the Singapore Supplemental Trust Deed;
  - (ii) the Agency Agreement and the Singapore Supplemental Agency Agreement;
  - (iii) the most recently published and publicly available annual report and published and publicly available audited consolidated financial statements of the Issuer;
  - (iv) each Pricing Supplement (save that a Pricing Supplement related to an unlisted Series of Securities will only be available for inspection by a holder of any such Securities and such holder must produce evidence satisfactory to the Issuer or the Trustee as to its holding of Securities and identity); and
  - (v) a copy of this Offering Circular together with any supplement to this Offering Circular or further Offering Circular.
- (9) KPMG LLP has delivered a report on the 2020 Audited Consolidated Financial Statements (which is included only in F-2 to F-63 of this Offering Circular) and on the 2019 Audited Consolidated Financial Statements (which is included only in F-64 to F-123 of this Offering Circular). KPMG LLP has given and has not withdrawn its written consent to the inclusion herein of (i) its name and (ii) the independent auditor’s report on the 2020 Audited Consolidated Financial Statements and the 2019 Audited Consolidated Financial Statements, in the form and context in which they appear in this Offering Circular, and reference to its names and such reports in the form and context which they appear in this Offering Circular.

## INDEX TO FINANCIAL STATEMENTS

	<u>Page</u>
<b>Audited Consolidated Financial Statements of the Group for the financial year ended</b>	
<b>31 December 2020</b>	
Independent Auditor's Report .....	F-7
Statement of Financial Position .....	F-10
Consolidated Statement of Profit and Loss .....	F-11
Consolidated Statement of Comprehensive Income .....	F-12
Consolidated Statement of Changes in Equity .....	F-13
Consolidated Statement of Cash Flows .....	F-17
Notes to the Financial Statements .....	F-19
<b>Audited Consolidated Financial Statements of the Group for the financial year ended</b>	
<b>31 December 2019</b>	
Independent Auditor's Report .....	F-69
Statement of Financial Position .....	F-72
Consolidated Statement of Profit and Loss .....	F-73
Consolidated Statement of Comprehensive Income .....	F-74
Consolidated Statement of Changes in Equity .....	F-75
Consolidated Statement of Cash Flows .....	F-79
Notes to the Financial Statements .....	F-82



**Vertex Venture Holdings Ltd  
and its subsidiaries  
Registration Number: 199708173R**

Financial Statements  
Year ended 31 December 2020

## **Directors' statement**

We are pleased to submit this annual report to the member of the Company together with the audited financial statements for the financial year ended 31 December 2020.

In our opinion:

- (a) the financial statements set out on pages FS1 to FS54 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and the financial performance, changes in equity and cash flows of the Group for the year then ended in accordance with the provisions of the Singapore Companies Act, Chapter 50, Singapore Financial Reporting Standards (International) and International Financial Reporting Standards; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

## **Directors**

The directors in office at the date of this statement are as follows:

Teo Ming Kian  
 Lee Kheng Nam  
 Chua Kee Lock  
 Chia Chee Ming Timothy  
 Rohit Sipahimalani

## **Directors' interests**

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50 (the "Act"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and children) in shares, debentures, warrants and share options in the Company and in related corporations are as follows:

<b>Name of director and corporation in which interests are held</b>	<b>Holdings at beginning of the year</b>	<b>Holdings at end of the year</b>
<b>Teo Ming Kian</b>		
Altrium PE Fund I F&F LP		
- Bonds	US\$300,000	US\$300,000
<b>Astrea IV Pte. Ltd.</b>		
- Class A-1 4.35% Secured Fixed Rate Bonds	S\$7,000	S\$7,000
- Class A-2 5.5% Secured Fixed Rate Bonds	US\$200,000	US\$200,000
<b>Astrea V Pte. Ltd.</b>		
- Class A1 3.85% Secured Fixed Rate Bonds	S\$16,000	S\$16,000

<b>Name of director and corporation in which interests are held</b>	<b>Holdings at beginning of the year</b>	<b>Holdings at end of the year</b>
<b>Teo Ming Kian (cont'd)</b>		
CapitaLand Limited		
- S\$ ordinary shares fully paid	7,000	7,000
CapitaLand Integrated Commercial Trust Management Limited		
<i>(formerly known as CapitaLand Mall Trust Management Limited)</i>		
- Unit holding in CapitaLand Integrated Commercial Trust		
<i>(formerly known as CapitaLand Mall Trust)</i>	11,000	11,000
Mapletree Treasury Services Ltd		
- SGD625 million 4.5% Perpetual Securities issued in 2017	S\$500,000	S\$500,000
Olam International Limited		
- S\$ ordinary shares fully paid	10,000	10,000
- S\$500m 6% Fixed Rate Notes due 2022	-	S\$250,000
Singapore Airlines Limited		
- S\$ ordinary shares fully paid	1,000	24,000
- 3.035% Notes	S\$250,000	S\$250,000
Singapore Telecommunications Limited		
- S\$ ordinary shares fully paid	380	380
The Lifesciences Innovation Fund Pte. Ltd.	1,000	1,000
- S\$ preference shares fully paid		
VMII Affiliates Fund LP		
- Subscription as limited partner	US\$200,000	US\$200,000
<i>(committed capital)</i>		
<b>Lee Kheng Nam</b>		
Allegro Aqua Pte. Ltd.		
- -S\$ ordinary shares fully paid	66,667	-
Singapore Telecommunications Limited		
- S\$ ordinary shares fully paid	3,230	3,230
The Lifesciences Innovation Fund Pte. Ltd.		
- S\$ preference shares fully paid	1,000	1,000
VMII Affiliates Fund LP		
- Subscription as limited partner	US\$200,000	US\$200,000
<i>(committed capital)</i>		

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year
<b>Rohit Sipahimalani</b>		
Astrea III Pte. Ltd.		
- Class A-1 Notes	Nil	Nil
- Class A-2 Notes	US\$800,000	US\$800,000
Astrea IV Pte. Ltd.		
- Class A-1 Bonds	S\$750,000	S\$750,000
- Class A-2 Bonds	US\$200,000	US\$200,000
Astrea V Pte. Ltd.		
- Class A-1 Bonds	S\$100,000	S\$100,000
- Class A-2 Bonds	US\$400,000	US\$400,000
Atrium PE Fund I F&F L.P.		
- Bonds (committed capital)	US\$1,000,000	US\$1,000,000
VMII Affiliates Fund LP		
- Subscription as limited partner (committed capital)	US\$500,000	US\$500,000
Fullerton Short Term Interest Rate S\$ Fund	–	S\$500,000
<b>Chua Kee Lock</b>		
Singapore Telecommunications Limited		
- S\$ ordinary shares fully paid	3,160	3,160
VMII Affiliates Fund LP		
- Subscription as limited partner (committed capital)	US\$100,000	US\$100,000
<b>Chia Chee Ming Timothy</b>		
Singapore Telecommunications Limited		
- S\$ ordinary shares fully paid	2,070	2,070
VMII Affiliates Fund LP		
- Subscription as limited partner (committed capital)	US\$250,000	US\$250,000

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning or at the end of the financial year.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

### **Share options**

During the financial year, there were:

- (i) no options granted by the Company to any person to take up unissued shares in the Company or its subsidiaries; and
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company and its subsidiaries under options.

### **Auditors**

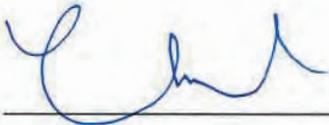
The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors



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**Teo Ming Kian**  
*Director*



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**Chua Kee Lock**  
*Director*

9 April 2021



**KPMG LLP**  
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## Independent auditors' report

Member of the Company  
Vertex Venture Holdings Ltd

### Report on the audit of the financial statements

#### *Opinion*

We have audited the financial statements of Vertex Venture Holdings Ltd (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 2020, the consolidated statement of profit or loss, 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 FS1 to FS54.

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 provisions of the Companies Act, Chapter 50 (the "Act"), Singapore Financial Reporting Standards (International) ("SFRS(I)s") and International Financial Reporting Standards ("IFRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year then ended.

#### *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.

#### *Other information*

Management is responsible for the other information which accompanies the financial statements. This other information comprises the Directors' statement.

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

KPMG LLP (Registration No. T08LL1267L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A) and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

In connection with our audit of the financial statements, our responsibility is to read the other information 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of management and directors for the financial statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act, SFRS(I)s and IFRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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.

*Auditors' responsibilities for the audit of the financial statements*

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the 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.

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 controls that we identify during our audit.

### **Report on other legal and regulatory requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.



**KPMG LLP**  
*Public Accountants and*  
*Chartered Accountants*

**Singapore**  
9 April 2021

**Statements of financial position**  
**As at 31 December 2020**

	Note	Group		Company	
		2020 US\$'000	2019 US\$'000	2020 US\$'000	2019 US\$'000
<b>Non-current assets</b>					
Property, plant and equipment	4	412	292	–	–
Right-of-use assets	17	2,344	2,336	–	–
Subsidiaries	5	–	–	674,102	676,924
Associates	6	738,519	484,856	33,597	–
Investments	7	448,728	915,608	258	258
Other receivables and advances	8	1,301	2,921	–	–
		<u>1,191,304</u>	<u>1,406,013</u>	<u>707,957</u>	<u>677,182</u>
<b>Current assets</b>					
Trade and other receivables	9	324,275	5,293	87,954	25,033
Cash and cash equivalents	10	128,621	84,965	83,266	17,279
		<u>452,896</u>	<u>90,258</u>	<u>171,220</u>	<u>42,312</u>
<b>Total assets</b>		<u>1,644,200</u>	<u>1,496,271</u>	<u>879,177</u>	<u>719,494</u>
<b>Equity</b>					
Share capital	11	464,911	428,273	464,911	428,273
Merger reserve	12	12,819	12,819	10,346	10,346
Foreign currency translation reserve	12	6,965	5,454	–	–
Retained earnings		865,157	905,605	214,960	208,201
<b>Equity attributable to owners of the Company</b>		<u>1,349,852</u>	<u>1,352,151</u>	<u>690,217</u>	<u>646,820</u>
Non-controlling interests		90,343	47,064	–	–
<b>Total equity</b>		<u>1,440,195</u>	<u>1,399,215</u>	<u>690,217</u>	<u>646,820</u>
<b>Non-current liabilities</b>					
Redeemable preference shares	13	40,700	25,700	40,700	25,700
Deferred tax liabilities	15	317	1,243	317	492
Other long-term liabilities	16	1,146	1,265	–	–
Lease liabilities	17	1,289	1,624	–	–
Provisions	18	156	22,726	–	–
		<u>43,608</u>	<u>52,558</u>	<u>41,017</u>	<u>26,192</u>
<b>Current liabilities</b>					
Trade and other payables	19	51,220	25,881	48,229	45,802
Lease liabilities	17	1,072	681	–	–
Provisions	18	1,104	669	–	–
Borrowings	14	99,000	–	99,000	–
Current tax payable		8,001	17,267	714	680
		<u>160,397</u>	<u>44,498</u>	<u>147,943</u>	<u>46,482</u>
<b>Total liabilities</b>		<u>204,005</u>	<u>97,056</u>	<u>188,960</u>	<u>72,674</u>
<b>Total equity and liabilities</b>		<u>1,644,200</u>	<u>1,496,271</u>	<u>879,177</u>	<u>719,494</u>

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

**Consolidated statement of profit or loss**  
**Year ended 31 December 2020**

	Note	Group	
		2020 US\$'000	2019 US\$'000
Revenue	20	959	19,884
Net (loss)/gain from investments at FVTPL		(95,871)	119,738
Other income		918	2,701
Staff costs		(8,587)	(7,769)
Other operating expenses		(16,192)	(27,701)
<b>Results from operating activities</b>		<b>(118,773)</b>	<b>106,853</b>
Finance costs	21	(3,226)	(1,275)
Share of results of associates, net of tax	6	89,448	97,712
<b>(Loss)/Profit before tax</b>	22	<b>(32,551)</b>	<b>203,290</b>
Tax expense	23	(93)	(14,978)
<b>(Loss)/Profit for the year</b>		<b>(32,644)</b>	<b>188,312</b>
<b>(Loss)/Profit attributable to:</b>			
Owners of the Company		(40,448)	188,464
Non-controlling interests		7,804	(152)
<b>(Loss)/Profit for the year</b>		<b>(32,644)</b>	<b>188,312</b>

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

**Consolidated statement of comprehensive income**  
**Year ended 31 December 2020**

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>(Loss)/Profit for the year</b>	(32,644)	188,312
<b>Other comprehensive income</b>		
<b>Items that are or may be reclassified subsequently to profit or loss:</b>		
Foreign currency translation differences – foreign operations	1,511	958
<b>Other comprehensive income for the year, net of tax</b>	<u>1,511</u>	<u>958</u>
<b>Total comprehensive income for the year</b>	<u>(31,133)</u>	<u>189,270</u>
<b>Total comprehensive income attributable to:</b>		
Owners of the Company	(38,937)	189,422
Non-controlling interests	7,804	(152)
<b>Total comprehensive income for the year</b>	<u>(31,133)</u>	<u>189,270</u>

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

Consolidated statement of changes in equity  
Year ended 31 December 2020

	Attributable to owners of the Company						Total equity US\$'000
	Share capital US\$'000	Merger reserve US\$'000	Foreign currency translation reserve US\$'000	Retained earnings US\$'000	Total US\$'000	Non-controlling interests US\$'000	
Group							
At 1 January 2019	378,273	12,819	4,496	725,898	1,121,486	9,158	1,130,644
<b>Total comprehensive income for the year</b>							
Profit for the year	–	–	–	188,464	188,464	(152)	188,312
<b>Other comprehensive income</b>							
Foreign currency translation differences – foreign operations	–	–	958	–	958	–	958
<b>Total comprehensive income for the year</b>	–	–	958	188,464	189,422	(152)	189,270
Balance carried forward	378,273	12,819	5,454	914,362	1,310,908	9,006	1,319,914

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

**Consolidated statement of changes in equity (cont'd)**  
**Year ended 31 December 2020**

	Attributable to owners of the Company						
	Share capital US\$'000	Merger reserve US\$'000	Foreign currency translation reserve US\$'000	Retained earnings US\$'000	Total US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
Group							
Balance brought forward	378,273	12,819	5,454	914,362	1,310,908	9,006	1,319,914
<b>Transactions with owners, recognised directly in equity</b>							
<b>Contributions by and distributions to owners</b>							
Issue of 500,000 Class A USD redeemable preference shares @ US\$100 per share	50,000	–	–	–	50,000	–	50,000
Interim dividend declared (Note 11)	–	–	–	(8,757)	(8,757)	–	(8,757)
Capital contribution by non-controlling interest of subsidiary	–	–	–	–	–	39,087	39,087
Dilution by non-controlling interests	–	–	–	–	–	(483)	(483)
Dividends to non-controlling interests (Note 11)	–	–	–	–	–	(546)	(546)
<b>Total contributions by and distributions to owners, representing total transactions with owners</b>	50,000	–	–	(8,757)	41,243	38,058	79,301
At 31 December 2019	428,273	12,819	5,454	905,605	1,352,151	47,064	1,399,215

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

Consolidated statement of changes in equity (cont'd)  
Year ended 31 December 2020

Group	Attributable to owners of the Company						Total equity US\$'000
	Share capital US\$'000	Merger reserve US\$'000	Foreign currency translation reserve US\$'000	Retained earnings US\$'000	Total US\$'000	Non-controlling interests US\$'000	
At 1 January 2020	428,273	12,819	5,454	905,605	1,352,151	47,064	1,399,215
<b>Total comprehensive income for the year</b>	–	–	–	(40,448)	(40,448)	7,804	(32,644)
Loss for the year							
<b>Other comprehensive income</b>							
Foreign currency translation differences – foreign operations	–	–	1,511	–	1,511	–	1,511
<b>Total comprehensive income for the year</b>	–	–	1,511	(40,448)	(38,937)	7,804	(31,133)
Balance carried forward	428,273	12,819	6,965	865,157	1,313,214	54,868	1,368,082

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

**Consolidated statement of changes in equity (cont'd)**  
**Year ended 31 December 2020**

	Attributable to owners of the Company						
	Share capital US\$'000	Merger reserve US\$'000	Foreign currency translation reserve US\$'000	Retained earnings US\$'000	Total US\$'000	Non- controlling interests US\$'000	Total equity US\$'000
<b>Group</b>							
Balance brought forward	428,273	12,819	6,965	865,157	1,313,214	54,868	1,368,082
<b>Transactions with owners, recognised directly in equity</b>							
<b>Contributions by and distributions to owners</b>							
Issue of 366,380 Class A USD redeemable preference shares @ US\$100 per share	36,638	–	–	–	36,638	–	36,638
Capital contribution by non-controlling interest of subsidiary	–	–	–	–	–	36,085	36,085
Dilution by non-controlling interests	–	–	–	–	–	(15)	(15)
Distributions to non-controlling interests	–	–	–	–	–	(427)	(427)
Dividends to non-controlling interests (Note 11)	–	–	–	–	–	(168)	(168)
<b>Total contributions by and distributions to owners, representing total transactions with owners</b>	36,638	–	–	–	36,638	35,475	72,113
At 31 December 2020	464,911	12,819	6,965	865,157	1,349,852	90,343	1,440,195

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

**Consolidated statement of cash flows**  
**Year ended 31 December 2020**

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>US\$'000</b>	<b>US\$'000</b>
(Loss)/Profit for the year	(32,644)	188,312
Adjustments for:		
Depreciation of property, plant and equipment	292	307
Depreciation of right-of-use assets	1,063	738
Distribution income from venture capital funds	(5,241)	(1,125)
Equalisation interest from associate	(77)	–
Gain on disposal of property, plant and equipment	–	(2,073)
Gain on dilution of subsidiary	(15)	(483)
Finance costs	3,226	1,275
Interest income	(421)	(2,815)
Net loss/(gain) on divestment of investments	11,613	(3,031)
Net loss/(gain) from investments at FVTPL	95,871	(119,738)
Provisions (reversed)/made	(12,700)	8,268
Share of results of associates, net of tax	(89,448)	(97,712)
Tax expense	93	14,978
Operating loss before working capital changes	(28,388)	(13,099)
Changes in working capital:		
Other receivables and advances	1,620	(112)
Trade and other receivables	(319,030)	4,205
Trade and other payables	22,193	5,644
Other long-term liabilities	(119)	–
Provisions	(9,484)	(12,271)
Cash utilised in operations	(333,208)	(15,633)
Distributions received from associates	16,709	49,518
Distributions received from venture capital funds	15,484	6,502
Tax paid	(10,285)	(263)
Interest received	469	2,767
Proceeds from divestment of investments	393,693	18,776
Acquisition of interests in associates	(180,847)	(139,044)
Purchase of investments	(43,919)	(35,917)
<b>Net cash used in operating activities carried forward</b>	<b>(141,904)</b>	<b>(113,294)</b>

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

**Consolidated statement of cash flows (cont'd)**  
**Year ended 31 December 2020**

	Note	Group	
		2020 US\$'000	2019 US\$'000
<b>Net cash used in operating activities brought forward</b>		(141,904)	(113,294)
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment		–	2,304
Purchase of property, plant and equipment		(412)	(171)
<b>Net cash used in investing activities</b>		<u>(412)</u>	<u>2,133</u>
<b>Cash flows from financing activities</b>			
Capital contribution from non-controlling interests		36,085	39,087
Distributions to non-controlling interests		(427)	–
Dividends paid to owner of the Company		–	(35,558)
Dividends paid to non-controlling interests		(168)	(546)
Proceeds from borrowings		99,000	–
Payment of lease liabilities		(1,046)	(737)
Proceeds from issuance of Class A redeemable preference shares		36,638	50,000
Proceeds from issuance of Class B redeemable preference shares		15,000	25,700
<b>Net cash from financing activities</b>		<u>185,082</u>	<u>77,946</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		42,766	(33,215)
Cash and cash equivalents at beginning of year		84,965	117,515
Effect of exchange rate changes on balances held in foreign currency		890	665
<b>Cash and cash equivalents at end of year</b>	10	<u>128,621</u>	<u>84,965</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 9 April 2021.

### **1 Domicile and activities**

Vertex Venture Holdings Ltd (the “Company”) is a company incorporated in Singapore. The address of the Company’s registered office is 250 North Bridge Road #11-01 Raffles City Tower Singapore 179101.

The financial statements of the Group as at and for the year ended 31 December 2020 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”) and the Group’s interest in equity-accounted investees.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are those of investment holding and provision of investment management services to venture capital funds.

As at 31 December 2020, the immediate and ultimate holding companies are Ellensburg Holding Pte. Ltd. and Temasek Holdings (Private) Limited, respectively. Both companies are incorporated in Singapore.

### **2 Basis of preparation**

#### **2.1 Statement of compliance**

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)s”) and International Financial Reporting Standards (“IFRSs”).

All references to SFRS(I)s and IFRSs are subsequently referred to as IFRS in this financial statements unless otherwise specified.

#### **2.2 Basis of measurement**

The financial statements have been prepared on the historical cost basis except as otherwise disclosed in the notes below.

#### **2.3 Functional and presentation currency**

These financial statements are presented in United States (US) dollars, which is the Company’s functional currency. All financial information presented in US 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 IFRS 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.

Information about significant areas of estimation uncertainties and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in Note 26 – Financial instruments.

## 2.5 Changes in accounting policies

The Group has applied the following IFRSs, amendments to and interpretations of IFRS for the first time for the annual period beginning on 1 January 2020:

- *Amendments to References to Conceptual Framework in IFRS Standards*
- *Definition of a Business (Amendments to IFRS 3)*
- *Definition of Material (Amendments to IAS 1 and IAS 8)*
- *Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)*

The application of these amendments to standards and interpretations does not have a material effect on the financial statements.

## 3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in note 2.5, which addresses changes in accounting policies.

### 3.1 Basis of consolidation

#### ***Business combinations***

The Group accounts for business combinations using the acquisition method when control is transferred to the Group.

The Group has an option to apply a ‘concentration test’ that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition 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 IFRSs.

Costs related to the acquisition, other than those associated with the issue of debt or equity investments, 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 equity transactions.

### ***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 these 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.

### ***Acquisitions from entities under common control***

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group entity and any gain or loss arising is recognised directly in equity.

### ***Loss of control***

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

### ***Investments in associates***

Associates are those entities in which the Group has significant influence, but not 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.

Investments in associates are accounted for using the equity method. They are recognised initially at cost, which includes transaction 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 commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that investment, including 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.

### ***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.

### ***Subsidiaries and associates in the separate financial statements***

Investments in subsidiaries and associates are stated in the Company's statement of financial position at cost less accumulated impairment losses.

## **3.2 Foreign currency**

### ***Foreign currency transactions***

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated 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 retranslated 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 retranslation are recognised in profit or loss.

### ***Foreign operations***

The assets and liabilities of foreign operations are translated to the functional currency at exchange rates at the reporting date. The income and expenses of foreign operations are translated to the functional currency at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity. However, if the foreign 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 or significant influence 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 that includes a foreign operation while retaining significant influence, 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 to occur 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 foreign currency translation reserve in equity.

## 3.3 Property, plant and equipment

### ***Recognition and measurement***

Items of property, 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. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

### ***Subsequent costs***

The cost of replacing a component of an item of property, 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 property, plant and equipment are recognised in profit or loss as incurred.

### ***Depreciation***

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

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, 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. Freehold land is not depreciated.

Depreciation is recognised from the date that the property, 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:

Buildings	10 to 30 years
Leasehold improvements	2 to 5 years
Furniture, fittings and equipment	2 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.

## **3.4 Financial instruments**

### **Non-derivative financial instruments**

#### **i. Recognition and initial measurement**

Non-derivative financial instruments comprise investments in equity investments and debt investments, trade and other receivables (excluding prepayments), cash and cash equivalents, redeemable preference shares, borrowings and trade and other payables.

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

The Group recognises trade and other receivables (excluding prepayments), cash and cash equivalents and redeemable preference shares on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on trade date which is the date on which the Company becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control and neither transfers nor retains substantially all the risks and rewards of ownership of the asset or the Group transfers substantially all the risks and rewards of ownership of the asset.

Non-derivative financial instruments (unless it is a trade receivable without a significant financing component) are recognised initially at fair value plus, for instruments not at fair value through profit or loss ("FVTPL"), any directly attributable transaction costs. For instruments that are at FVTPL, at initial recognition, attributable transaction costs are recognised in profit or loss when incurred. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification, subsequent measurement and gains and losses – Financial assets

On initial recognition, a financial asset is classified as measured at: FVTPL or amortised cost.

The determination of the classification at initial recognition into each of the measurement category and the subsequent measurement for each measurement category are as described below.

- |  |   |
|--|---|
| (a) Financial assets at FVTPL          | <p><b>Classification – mandatorily at FVTPL (non-trading)</b><br/>Financial assets which are managed and whose performance is evaluated on a fair value basis and those that are not classified as measured at amortised cost as described below are measured at FVTPL.</p> <p><b>Subsequent measurement and gains and losses</b><br/>These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.</p>  |
| (b) Financial assets at amortised cost | <p><b>Classification</b><br/>A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:</p> <ul style="list-style-type: none"> <li>• the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and</li> <li>• the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.</li> </ul> <p><b>Subsequent measurement and gains and losses</b><br/>These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.</p> |

### ***Reclassifications***

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

#### iii. Classification, subsequent measurement and gains and losses – Financial liabilities

Financial liabilities are classified as measured at amortised cost.

Financial liabilities are initially measured at fair value less directly attributable transactions costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled. Any gain or loss on derecognition is also recognised in profit or loss.

Redeemable preference shares are classified as a financial liability if they are redeemable on a specific date at the option of the shareholders or if dividend payments are not discretionary. Dividends thereon are recognised as interest expense in profit or loss as accrued.

#### iv. Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently 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.

Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

### 3.5 Impairment of financial assets

The Group recognises loss allowance for expected credit losses (ECLs) in the following financial instruments that are not measured at FVTPL:

- trade receivables;
- other receivables; and
- cash and cash equivalents.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECL: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

### ***Simplified approach***

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

### ***General approach***

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assessed whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improve such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers the outstanding balance to be in default and credit impaired when the borrower is in significant financial difficulties and remains outstanding for more the reasonable number of past due days.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

### ***Measurement of ECL***

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.

## 3.6 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.

### ***Preference share capital***

Redeemable preference shares are classified as equity if they are non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. Discretionary dividends thereon are recognised as distributions within equity upon approval by the Company's shareholders.

### **3.7 Impairment of non-financial assets**

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

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.

An impairment loss in respect of an associate is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. 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 and only to the extent that the recoverable amount increases.

### **3.8 Provisions**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be measured reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

### **3.9 Employee benefits**

#### ***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 plans are recognised as staff costs in profit or loss in the periods during which related services are rendered by employees.

### ***Employee leave entitlement***

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to the reporting date.

### ***Short-term 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 plans 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.

## **3.10 Revenue recognition**

Revenue is recognised in profit or loss as follows:

- (i) Proceeds from divestment, net of direct expenses in the ordinary course of business is recognised when the Group satisfies a performance obligation (PO) by transferring ownership of the investment to the buyer. The transaction price is the amount of consideration in which the Group expects to be entitled in exchange for transferring the ownership of investments. Revenue is recognised at the point in time where ownership of the investment is transferred over to the buyer. Direct expenses comprise carrying amounts of divestments and related cost directly attributed to divestments;
- (ii) Fund management fees for the provision of investment management services are recognised when the Group satisfies its performance obligation (PO) by providing management services to customers. Performance fees are recognised when earned. Fund management fee rates are applied to the committed capital or committed capital less expenses incurred by its related company to compute the related revenue;
- (iii) Changes in fair value of financial assets measured at FVTPL;
- (iv) Interest income is recognised on an accrual basis except where the collection is contingent upon certain conditions being met, then such income is recognised when received;
- (v) Dividend income is recognised when the right to receive payment is established; and
- (vi) Distribution income from venture capital fund is recognised when right to receive payment is established.

## **3.11 Leases**

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

***As a lessee***

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Group uses the lessee's incremental borrowing rate as the discount rate.

The Group determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets and lease liabilities in the statement of financial position.

#### ***Short-term leases and leases of low-value assets***

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including photocopiers. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### **3.12 Finance costs**

Finance costs comprise of interest expenses and dividend expense on preference shares issued classified as financial liabilities.

Interest expense recognised based on the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the amortised cost of the financial liability. In calculating interest expense, the effective interest rate is applied to the amortised cost of the liability.

### **3.13 Tax**

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to 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.

Current tax assets and liabilities are offset only if certain criteria are met.

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; and
- temporary differences related to investments in subsidiaries and associates 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.

The measurement of deferred taxes 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, and reflects uncertainty related to income taxes, if any.

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

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary difference to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversal of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probably that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

### 3.14 New standards and interpretations not adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2020 and earlier applications is permitted; however, the Group has not early adopted the new or amended standards in preparing these financial statements.

The following new amendments to IFRSs are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position.

- *IFRS 17 Insurance Contracts*
- *Classification of Liabilities as Current or Non-current (Amendments to IAS 1)*
- *Covid-19 – Related Rent Concessions (Amendment to IFRS 16)*
- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)*

Management anticipates that the adoption of the new standards and interpretations will not have a material impact on the financial statements of the Group in the period of their initial adoption.

#### 4 Property, plant and equipment

Group	Freehold land US\$'000	Buildings US\$'000	Leasehold improvements US\$'000	Furniture, fittings and equipment US\$'000	Motor vehicles US\$'000	Total US\$'000
<b>Cost</b>						
At 1 January 2019	147	260	1,053	1,442	92	2,994
Additions	–	–	–	171	–	171
Disposals	(147)	(260)	–	(354)	–	(761)
At 31 December 2019	–	–	1,053	1,259	92	2,404
Additions	–	–	362	50	–	412
At 31 December 2020	–	–	1,415	1,309	92	2,816
<b>Accumulated depreciation</b>						
At 1 January 2019	–	172	808	1,342	13	2,335
Depreciation for the year	–	6	167	116	18	307
Disposals	–	(178)	–	(352)	–	(530)
At 31 December 2019	–	–	975	1,106	31	2,112
Depreciation for the year	–	–	147	126	19	292
At 31 December 2020	–	–	1,122	1,232	50	2,404
<b>Carrying amounts</b>						
At 1 January 2019	147	88	245	100	79	659
At 31 December 2019	–	–	78	153	61	292
At 31 December 2020	–	–	293	77	42	412

## 5 Subsidiaries

	Company	
	2020 US\$'000	2019 US\$'000
Equity investments at cost	713,175	715,813
Impairment losses	(39,073)	(38,889)
	<u>674,102</u>	<u>676,924</u>

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal place of business	Ownership interests	
		2020 %	2019 %
Crescindo Investments Limited	Mauritius	64.6	64.6
Vertex Master Fund I Pte. Ltd. and its subsidiaries:	Singapore	100	100
- Vertex Co-Investment Fund Pte. Ltd.	Singapore	100	100
- Vertex Fund of Funds Pte. Ltd. and its subsidiary:	Singapore	100	100
- Vertex Equity Pte. Ltd.	Singapore	100	100
- Vertex Global HC Fund (C.I.) Ltd	Cayman Islands	51.6	51.6
- Vertex Global HC Fund I Pte. Ltd.	Singapore	89.9	89.9
- Vertex Global HC Management Pte. Ltd.	Singapore	100	100
- Vertex Asia Fund (Singapore) Pte. Ltd.	Singapore	100	100
- Vertex SEA Fund I Pte. Ltd.	Singapore	100	100
- Global HC GP Ltd	Cayman Islands	100	100
Vertex Master Fund (SG) II LP <sup>1</sup> and its subsidiary:	Singapore	74.7	75.3
- Vertex Master Fund II Pte. Ltd. and its subsidiary:	Singapore	74.7	75.3
- Vertex Global HC Fund II Pte. Ltd	Singapore	74.7	75.3
Vertex Fund of Funds (II) Pte. Ltd. <sup>2</sup>	Singapore	100	100
Vertex Exploratory Fund Pte. Ltd. <sup>3</sup>	Singapore	100	-
Vertex Asia Fund Pte. Ltd.	Singapore	100	100
Vertex Investment International (III) Inc and its subsidiary:	British Virgin Islands	100	100
- Vertex International Partners Inc.	British Virgin Islands	100	100
Vertex Technology Fund (III) Ltd	Singapore	100	100
Vertex Asia Investments Pte. Ltd.	Singapore	100	100
Vertex Asia Growth Ltd and its subsidiaries:	Cayman Islands	100	100
- Vertex China Capital Limited <sup>4</sup>	Hong Kong	-	100
- Vertex Asia Growth (Fund I) Ltd	Cayman Islands	100	100
Vertex Venture Management Pte. Ltd. and its subsidiary:	Singapore	100	100
- Vertex India Venture Advisory Private Limited	India	100	100

Name of subsidiaries	Principal place of business	Ownership interests	
		2020	2019
		%	%
Vickers Capital Pte. Ltd. and its subsidiaries:	Singapore	100	100
- Vertex Management (II) Pte Ltd	Singapore	100	100
- Vertex Management Inc.	United States of America	100	100
- Vertex Israel II Management Ltd and its subsidiaries:	Israel	51	51
- Novadent Ltd.	Israel	51	51
- Vertex III Management (C.I.) Ltd	Cayman Islands	51	51

<sup>1</sup> Vertex Master Fund (SG) II LP was registered on 20 February 2019.

<sup>2</sup> Vertex Fund of Funds (II) Pte. Ltd. was incorporated on 21 November 2019.

<sup>3</sup> Vertex Exploratory Fund Pte. Ltd. was incorporated on 6 April 2020.

<sup>4</sup> Vertex China Capital Limited was dissolved on 10 July 2020.

### **Impairment loss**

The carrying value of investment in subsidiaries is tested for impairment whenever there is any objective evidence or indication that the investments may be impaired. This determination requires significant judgement. In estimating the recoverable amount of the investments, the Company evaluates, amongst other factors, the future profitability of the subsidiaries, their financial health and near-term business outlook, including factors such as industry and sector performance, changes in technology, and operational and financing cash flows.

The estimates of the recoverable amount of the investment in subsidiaries were based on their fair value less cost to sell of the underlying net assets. Based on management's assessment, impairment loss of US\$184,000 (2019: reversal of impairment loss of US\$32,404,000) was recognised in the Company's profit or loss to reflect the carrying amount of the underlying net assets.

## **6 Associates**

	Group		Company	
	2020 US\$'000	2019 US\$'000	2020 US\$'000	2019 US\$'000
Investment in associates	738,519	484,856	33,597	—

At the reporting date, the Group assessed the recoverable amount of its investment in associates with continued operating losses. Based on management's assessment, no impairment loss (2019: US\$Nil) was recognised in the profit or loss of the Group. The estimates of the recoverable amount of the relevant investment in associates were based on their fair values less cost to sell as recommended by its fund manager, Vertex Management (II) Pte Ltd and Vertex Venture Management Pte. Ltd.

Details of the associates are as follows:

Name of associates	Principal activities	Principal place of business	Ownership interests	
			2020 %	2019 %
Vertex Legacy Fund (SG) LP <sup>1</sup>	Investment holding	Singapore	43.8	–
- Vertex Legacy Continuation Fund Pte. Ltd.	Investment holding	Singapore	43.8	–
<b><i>Held by Vertex Investment International (III) Inc.</i></b>				
Vertex Israel II (C.I.) Fund L.P. <sup>2</sup>	Investment holding	Cayman Islands	–	37.9
Vertex III (C.I.) Fund L.P. <sup>3</sup>	Investment holding	Cayman Islands	23.7	23.7
<b><i>Held by Vertex Master Fund I Pte. Ltd.</i></b>				
Vertex IV (C.I.) Fund L.P.	Investment holding	Cayman Islands	41.6	41.6
Vertex Ventures US Fund I L.P.	Investment holding	USA	71.1 <sup>#</sup>	71.1 <sup>#</sup>
Vertex Ventures China III, L.P.	Investment holding	Cayman Islands	49.0	49.0
Vertex Ventures SEA III, L.P. and its subsidiary:	Investment holding	Cayman Islands	38.1	38.1
- Vertex Ventures SEA Fund III Pte. Ltd.	Investment holding	Singapore	38.1	38.1
<b><i>Held by Vertex Master Fund II Pte. Ltd.</i></b>				
Vertex Growth (SG) L.P. and its subsidiary	Investment holding	Singapore	49.3	49.3
- Vertex Growth Fund Pte. Ltd.			49.3	49.3
Vertex Israel Opportunity Fund L.P.	Investment holding	Cayman Islands	23.5	27.3
Vertex V (C.I.) Fund L.P.	Investment holding	Cayman Islands	41.5	41.4
Vertex Ventures US Fund II L.P.	Investment holding	USA	71.0*	71.0*
Vertex Ventures China IV L.P.	Investment holding	Cayman Islands	40.0	40.7
Vertex Ventures (SG) SEA IV LP <sup>4</sup>	Investment holding	Singapore	27.3	–
ChongQing Vertex RuiZhi Equity <sup>5</sup>	Investment holding	China	34.7	–

1 Vertex Legacy Fund (SG) LP commenced operations on 2 December 2020.

2 Vertex Israel II (C.I.) Fund, L.P. was dissolved on 30 January 2020.

3 Vertex III (C.I.) Fund L.P. was placed under liquidation on 12 May 2020.

4 Vertex Ventures (SG) SEA IV LP commenced operations on 6 January 2020.

5 ChongQing Vertex RuiZhi Equity. Commenced operations on 16 November 2020.

<sup>#</sup> Vertex Ventures US Fund I L.P. (“VVUS Fund”) is managed by the General Partner (“GP”) of VVUS Fund, per the management agreement between the GP and VVUS Fund. The Group does not have control via voting rights in VVUS Fund and the GP.

\* Vertex Ventures US Fund II L.P. (“VVUS Fund II”) is managed by the General Partner (“GP”) of VVUS Fund II, per the management agreement between the GP and VVUS Fund II. The Group does not have control via voting rights in VVUS Fund II and the GP.

The following summarises the financial information of each of the Group's associates based on their respective (consolidated) financial statements prepared in accordance with IFRS and modified for differences in the Group's accounting policies. The table also analyses, in aggregate, the carrying amount and share of profit and other comprehensive income of the remaining individually immaterial associates.

	Vertex III Fund (C.I.) Fund L.P. US\$'000	Vertex IV Fund (C.I.) Fund L.P. US\$'000	Vertex Ventures US Fund I L.P. US\$'000	Vertex Ventures China III, L.P. US\$'000	Vertex Ventures SEA III, L.P. and its subsidiary US\$'000	Vertex Growth (SG) L.P. and its subsidiary US\$'000	Vertex Israel Opportunity Fund L.P. US\$'000	Vertex V Fund (C.I.) L.P. US\$'000	Vertex US Fund II L.P. US\$'000	Vertex Ventures China IV L.P. US\$'000	Vertex (SG) SEA IV LP and its subsidiary US\$'000	ChongQing Vertex RuiZhi Equity US\$'000	Vertex Legacy Fund (SG) LP US\$'000	Total US\$'000
<b>31 December 2020</b>														
Revenue	27,443	18	3,424	6,329	7	1,617	—	129	221	—	—	—	—	
(Loss)/profit from continuing operations	189,757	29,804	10,002	9,505	12,185	25,911	30,016	13,401	21,519	(5,869)	—	—	6,411	
OCI	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total comprehensive income</b>	189,757	29,804	10,002	9,505	12,185	25,911	30,016	13,401	21,519	(5,869)	—	—	6,411	
Attributable to investee's shareholders	—	189,757	29,804	10,002	9,505	12,185	30,016	13,401	21,519	(5,869)	—	—	6,411	
Non-current assets	—	313,440	168,580	330,844	205,866	122,125	51,747	147,234	85,157	149,583	44,321	—	—	81,896
Non-current liabilities	—	—	(16,629)	—	—	—	—	—	—	(3,036)	—	—	—	—
Current assets	—	11,255	11,563	6,192	1	1	1,358	6,677	816	6,662	211	22,442	19	19
Current liabilities	—	(60)	—	(4,504)	(87)	(3)	(24)	(52)	—	(2,989)	(220)	—	(4)	(4)
<b>Net assets</b>	324,635	180,143	315,903	205,780	122,123	53,081	153,859	85,973	150,220	44,312	22,442	—	81,911	
Attributable to investee's shareholders	—	324,635	180,143	205,780	122,123	53,081	153,859	85,973	150,220	44,312	22,442	—	81,911	
<b>Group's interest in net assets of investee at beginning of the year</b>	154	56,273	90,771	153,988	63,982	25,657	4,326	32,134	32,620	24,951	—	—	—	484,856
Group's share of:														
- profit/(loss) from continuing operations	158	63,212	15,271	(21,279)	(1,261)	5,695	4,572	9,968	7,611	6,550	(1,579)	—	530	89,448
- OCI	—	—	—	—	—	—	—	—	—	—	—	—	—	—
- total comprehensive income	158	63,212	15,271	(21,279)	(1,261)	5,695	4,572	9,968	7,611	6,550	(1,579)	—	530	89,448
Group's contribution during the year	—	3,000	9,000	3,822	13,200	28,529	3,000	17,400	18,000	27,500	13,672	10,656	33,068	180,847
Group's distribution during the year	—	(13,232)	—	—	(2,411)	—	(989)	—	—	—	—	—	—	(16,632)
<b>Carrying amount of interest in investee at end of the year</b>	312	109,253	115,042	136,531	73,510	59,881	10,909	59,502	58,231	59,001	12,093	10,656	33,598	738,519

*Vertex Venture Holdings Ltd and its subsidiaries*  
Financial statements  
Year ended 31 December 2020

	Vertex Israel II Fund L.P.	Vertex III Fund L.P.	Vertex IV Fund L.P.	Vertex US Fund I L.P.	Vertex Ventures China III, L.P.	Vertex SEA III, L.P. and its subsidiary	Vertex Growth (SG) L.P. and its subsidiary	Vertex Israel Opportunity Fund L.P.	Vertex V (C.I.) Fund L.P.	Vertex Ventures US Fund II L.P.	Vertex Ventures China IV L.P.	Total US\$'000
<b>31 December 2019</b>												
Revenue	–	693	43,507	13,409	7,155	1,952	–	943	–	62	–	
(Loss)/profit from continuing operations	–	(631)	64,928	39,049	54,944	26,738	(7,456)	1,274	25,665	6,526	(5,710)	
OCI	–	–	–	–	–	–	–	–	–	–	–	
<b>Total comprehensive income</b>	–	(631)	64,928	39,049	54,944	26,738	(7,456)	1,274	25,665	6,526	(5,710)	
Attributable to investee's shareholders	–	(631)	64,928	39,049	54,944	26,738	(7,456)	1,274	25,665	6,526	(5,710)	
Non-current assets	–	802	144,658	126,489	312,051	162,935	50,627	15,708	78,210	43,647	56,603	
Current assets	–	401	14,856	11,195	2,362	5,976	1,908	423	3,723	3,572	6,160	
Current liabilities	–	(25)	(55)	–	(17)	(957)	(194)	(18)	(44)	–	(1,453)	
<b>Net assets</b>	–	1,178	159,459	137,684	314,396	167,954	52,341	16,113	81,889	47,219	61,310	
Attributable to investee's shareholders	–	1,178	159,459	137,684	314,396	167,954	52,341	16,113	81,889	47,219	61,310	
<b>Group's interest in net assets of investee at beginning of the year</b>	–	3,020	54,774	59,103	119,535	40,937	3,999	2,675	13,575	–	–	297,618
Group's share of:												
- profit/(loss) from continuing operations	178	(118)	21,630	32,108	27,028	10,186	(3,729)	301	8,959	3,620	(2,451)	97,712
- OCI	–	–	–	–	–	–	–	–	–	–	–	–
- total comprehensive income	178	(118)	21,630	32,108	27,028	10,186	(3,729)	301	8,959	3,620	(2,451)	97,712
Group's contribution during the year	–	–	3,600	13,500	14,805	14,400	25,387	1,350	9,600	29,000	27,402	139,044
Group's distribution during the year	(178)	(2,748)	(23,731)	(13,940)	(7,380)	(1,541)	–	–	–	–	–	(49,518)
<b>Carrying amount of interest in investee at end of the year</b>	–	154	56,273	90,771	153,988	63,982	25,657	4,326	32,134	32,620	24,951	484,856

## 7 Investments

	Group		Company	
	2020 US\$'000	2019 US\$'000	2020 US\$'000	2019 US\$'000
<b>Non-trading investments mandatorily at FVTPL</b>				
Quoted equity securities	184,048	262,802	–	–
Unquoted equity securities	112,091	511,031	258	258
Unquoted debt securities	1,800	3,286	–	–
Venture funds	150,789	138,489	–	–
	448,728	915,608	258	258

## 8 Other receivables and advances

	Group	
	2020 US\$'000	2019 US\$'000
Advances to employees	–	27
Other receivables	1,301	2,894
	1,301	2,921

Other receivables are unsecured, interest-free and repayable within 2 years (2019: 2 years).

## 9 Trade and other receivables

	Group		Company	
	2020 US\$'000	2019 US\$'000	2020 US\$'000	2019 US\$'000
Trade receivables	320,398	3,963	–	–
Deposits	499	488	–	–
Tax recoverable	2,123	384	2	–
Amounts due from subsidiaries (non-trade)	–	–	87,952	25,016
Other receivables	1,144	265	–	17
	324,164	5,100	87,954	25,033
Prepayments	111	193	–	–
	324,275	5,293	87,954	25,033

Non-trade amounts due from subsidiaries are unsecured, interest-free and repayable on demand. The Group's and the Company's exposure to credit and foreign currency risks, and impairment losses related to trade and other receivables are disclosed in Note 26.

## 10 Cash and cash equivalents

	Group		Company	
	2020 US\$'000	2019 US\$'000	2020 US\$'000	2019 US\$'000
Cash at bank and in hand	104,603	39,784	83,108	9,786
Fixed deposits	24,018	45,181	158	7,493
	128,621	84,965	83,266	17,279

Cash and bank balances of approximately US\$559,000 (2019: US\$654,000) are held in countries which operate foreign exchange control. As at the reporting date, the weighted average effective interest rate per annum relating to fixed deposits for the Group and the Company ranges from 0.08% to 0.26% (2019: 1.42% to 1.97%). Fixed deposits are repriced every 1 to 3 months (2019: 1 to 3 months).

## 11 Share capital

	Ordinary shares	Class A USD redeemable preference shares	Class A SGD redeemable preference shares
	No. of shares	No. of shares	No. of shares
<b>Company</b>			
In issue at 1 January 2019	1,400,000,000	297,736	2,410,715
Issue of redeemable preference shares	–	500,000	–
In issue at 31 December 2019	1,400,000,000	797,736	2,410,715
In issue at 1 January 2020	1,400,000,000	797,736	2,410,715
Issue of redeemable preference shares	–	366,380	–
In issue at 31 December 2020	1,400,000,000	1,164,116	2,410,715

All issued shares are fully paid, with no par value.

### *Ordinary shares*

The holder of the ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

### *Redeemable preference shares*

The holder of Class A redeemable preferred shares (Class A RPS) is entitled to receive dividends and the RPS are redeemable, in full or part, at any time at the option of the Company. The RPS cannot be re-issued after redemption. The holders of RPS carry the right to vote pari passu with ordinary shares (except on matters affecting the rights of the respective categories of shares) at any general meeting of the Company. Class A RPS will receive dividends in accordance with the profit distribution structure set out in the Constitution.

In 2020, the Company issued 366,380 Class A RPS (2019: 500,000 shares) at the issue price of US\$100.00 per share.

Upon winding up of the Company, the RPS carries the following rights:

- (i) the right to return of capital paid and Class A RPS will be redeemed in preference to holders of the ordinary shares; and
- (ii) the right, after payment of dividends declared but unpaid at the commencement of the winding up, to share in surplus assets of the Company.

### **Capital management**

The Group defines capital as share capital and retained earnings.

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital base to support its business and maximise shareholders value. The Group has determined that it is in a sound capital position given its capital and resources available. The Group monitors the capital requirements to ensure that it is able to support its existing business as well as new investment opportunities that may arise.

There were no changes in the Group's approach to capital management during the year. The Company and its subsidiaries are not subject to externally imposed capital requirements.

### **Realised and unrealised gain/(loss) from non-trading investments designated at FVTPL**

As part of the Group's capital management process, in addition to the relevant laws and regulations governing dividend declaration, the Group also monitors the amount of realised and unrealised retained earnings to safeguard the Group's ability to declare dividends. The following table presents changes to the Group's realised and unrealised retained earnings:

	<b>Unrealised US\$'000</b>	<b>Realised US\$'000</b>	<b>Total US\$'000</b>
<b>At 1 January 2019</b>	458,124	267,774	725,898
Loss for the year excluding net gain/loss from investments at FVTPL	–	(23,816)	(23,816)
Net gain from subsidiaries' investments at FVTPL	119,738	3,031	122,769
Net gain from associates' investments at FVTPL	89,511	–	89,511
Realisation of net gain from subsidiaries' investments at FVTPL	(1,206)	1,206	–
Realisation of net gain from associates' investments at FVTPL	(6,885)	6,885	–
Accrued carried interest on gain on subsidiary's investment	(9,590)	9,590	–
	191,568	(3,104)	188,464
Interim dividend declared	–	(8,757)	(8,757)
<b>At 31 December 2019</b>	<b>649,692</b>	<b>255,913</b>	<b>905,605</b>

	Unrealised US\$'000	Realised US\$'000	Total US\$'000
<b>At 1 January 2020</b>	649,692	255,913	905,605
Loss for the year excluding net gain/loss from investments at FVTPL	–	(18,871)	(18,871)
Net loss/(gain) from subsidiaries' investments at FVTPL	(97,092)	(17,927)	(115,019)
Net gain from associates' investments at FVTPL	93,442	–	93,442
Realisation of net gain from subsidiaries' investments at FVTPL	(184,473)	184,473	–
Realisation of net gain from associates' investments at FVTPL	(457)	457	–
Provision of foreign tax on gain of subsidiaries' investments	(7,603)	7,603	–
Reversal of accrued carried interest on gain on subsidiary's investment	9,590	(9,590)	–
	(186,593)	146,145	(40,448)
Interim dividend declared	–	–	–
<b>At 31 December 2020</b>	<b>463,099</b>	<b>402,058</b>	<b>865,157</b>

The unrealised retained earnings relate to accumulated fair value changes of non-trading investments designated at FVTPL held at the reporting date. All other items of profits/(losses) for the year are categorised as realised.

### Dividends

The following exempt (one-tier) dividends were declared by the Group and Company:

#### *Payable by the Company to owner of the Company*

	Group	
	2020 US\$'000	2019 US\$'000
There was no dividend declared in 2020 for the year ended 31 December 2019 (2019: \$0.006254 per share declared in 2019 for the year ended 31 December 2018)	–	8,756

#### *Paid by a subsidiary to non-controlling interests*

	Group	
	2020 US\$'000	2019 US\$'000
Tax exempt (one-tier) dividend for 2020 of US\$349 (2019: US\$1,114) per share	168	546

## 12 Reserves

### *Merger reserve*

The merger reserve arises from acquisition of subsidiaries under common control and the amount represents the differences between the consideration paid and the capital of the respective acquirees.

### *Foreign currency translation reserve*

The foreign currency translation reserve comprises:

- (i) 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; and
- (ii) the exchange differences on monetary items which form part of the Group's net investment in the foreign operation, provided certain conditions are met.

## 13 Redeemable preference shares

### *Redeemable preference shares*

	2020		2019	
	Carrying amount US\$'000	Face value US\$'000	Carrying amount US\$'000	Face value US\$'000
<b>Group</b>				
Redeemable preference shares	40,700	40,700	25,700	25,700
<b>Company</b>				
Redeemable preference shares	40,700	40,700	25,700	25,700

The holder of Class B redeemable preferred shares (Class B RPS) is entitled to receive preference dividend at a specified rate for that calendar year and the Class B RPS are redeemable, in full or part, at any time at the option of the Company or on 19 January 2026.

The RPS cannot be re-issued after redemption. The holders of Class B RPS carry the right to vote *pari passu* with ordinary shares (except on matters affecting the rights of the respective categories of shares) at any general meeting of the Company. Class B RPS will receive preference dividends payable annually out of profits of the Company as set out in the Constitution.

In 2020, the Company issued 150,000 Class B RPS (2019: 257,000 shares) at the issue price of US\$100.00 per share.

Upon winding up of the Company, the RPS carries the following rights:

- (i) the right to return of capital paid and Class B RPS will be redeemed in preference to holders of the Class A RPS and the ordinary shares; and
- (ii) the right, after payment of dividends declared but unpaid at the commencement of the winding up, to share in surplus assets of the Company.

## 14 Borrowings

Note	Group		Company	
	2020 US\$'000	2019 US\$'000	2020 US\$'000	2019 US\$'000
<b>Current liabilities</b>				
Unsecured bank loans	99,000	–	99,000	–
	<u>99,000</u>	<u>–</u>	<u>99,000</u>	<u>–</u>

### Market and liquidity risks

Information about the Group and the Company's exposures to interest rate, foreign currency and liquidity risks is included in Note 26.

### Terms and debt repayment schedule

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

	Currency	Nominal interest rate %	Year of maturity	2020		2019	
				Face value US\$'000	Carrying amount US\$'000	Face value US\$'000	Carrying amount US\$'000
<b>Group</b>							
Unsecured bank loan	US\$	1.44%	2021	49,000	49,000	–	–
Unsecured bank loan	US\$	2.09%	2021	30,000	30,000	–	–
Unsecured bank loan	US\$	2.10%	2021	20,000	20,000	–	–
Total interest-bearing liabilities				<u>99,000</u>	<u>99,000</u>	<u>–</u>	<u>–</u>
<b>Company</b>							
Unsecured bank loan	US\$	1.44%	2021	49,000	49,000	–	–
Unsecured bank loan	US\$	2.09%	2021	30,000	30,000	–	–
Unsecured bank loan	US\$	2.10%	2021	20,000	20,000	–	–
Total interest-bearing liabilities				<u>99,000</u>	<u>99,000</u>	<u>–</u>	<u>–</u>

**Reconciliation of movements of liabilities to cash flows arising from financing activities**

	<b>Liabilities</b>			<b>Total US\$'000</b>
	<b>Borrowings US\$'000</b>	<b>Lease liabilities US\$'000</b>	<b>Class B Redeemable Preference shares US\$'000</b>	
<b>Balance at 1 January 2019</b>	–	2,966	–	2,966
<b>Changes from financing cash flows</b>				
Repayment of lease liabilities	–	–	25,700	25,700
	–	(737)	–	(737)
<b>Total changes from financing cash flows</b>	–	(737)	25,700	24,963
<b>Non-cash changes</b>				
Interest expense	–	76	1,199	1,275
Interest accrued	–	–	(1,199)	(1,199)
<b>Total non-cash changes</b>	–	76	–	76
<b>Balance at 31 December 2019</b>	–	2,305	25,700	28,005
<b>Balance at 1 January 2020</b>	–	2,305	25,700	28,005
<b>Changes from financing cash flows</b>				
Proceeds from issuance of redeemable preference shares	–	–	15,000	15,000
Borrowings from bank	99,000	–	–	99,000
Repayment of lease liabilities	–	(1,046)	–	(1,046)
<b>Total changes from financing cash flows</b>	99,000	(1,046)	15,000	112,954
<b>Non-cash changes</b>				
Interest expense	–	80	2,357	2,437
Lease liabilities addition	–	1,022	–	1,022
Interest accrued	–	–	(2,357)	(2,357)
<b>Total non-cash changes</b>	–	1,102	–	1,102
<b>Balance at 31 December 2020</b>	99,000	2,361	40,700	142,061

## 15 Deferred tax

Deferred tax is attributable to the following:

	At 1/1/2019 US\$'000	Recognised in profit or loss (Note 23) US\$'000	At 31/12/2019 US\$'000	Recognised in profit or loss (Note 23) US\$'000	At 31/12/2020 US\$'000
<b>Group</b>					
<i>Deferred tax liabilities</i>					
Unremitted interest income	(444)	(48)	(492)	175	(317)
Other items	(751)	–	(751)	751	–
	<u>(1,195)</u>	<u>(48)</u>	<u>(1,243)</u>	<u>926</u>	<u>(317)</u>
<i>Deferred tax assets</i>					
Other items	–	–	–	–	–
<b>Company</b>					
<i>Deferred tax liability</i>					
Unremitted interest income	(444)	(48)	(492)	175	(317)

The following items have not been included in the computation of deferred tax assets recognised:

	<b>Group</b>	
	2020 US\$'000	2019 US\$'000
Unutilised tax losses	<u>56,218</u>	–

Deferred tax assets have not been recognised in respect of unutilised tax losses because it is not probable that future taxable profits will be available against which the Group can utilise the benefits.

## 16 Other long-term liabilities

	<b>Group</b>	
	2020 US\$'000	2019 US\$'000
Deposit received in advance	–	119
Amount due to a related company (non-trade)	1,146	1,146
	<u>1,146</u>	<u>1,265</u>

Deposit received in advance relates to amount received in advance from an investee company prior to its liquidation. The receipt will be recognised as divestment proceeds upon completion of the liquidation which is expected to take more than a year.

Non-trade amount due to a related company is unsecured, interest-free and not repayable within the next 12 months.

## 17 Leases

The Group leases office premises. The leases typically run for a period of 5 years, with an option to renew the lease after that date. Lease payments are renegotiated every 5 years to reflect market rentals.

The Group leases photocopiers and certain office premises with contract terms of 1 to 3 years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Information about leases for which the Group is a lessee is presented below.

### Right-of-use assets

	Office premises	
	2020 US\$'000	2019 US\$'000
Balance at 1 January	2,336	2,966
Additions	1,071	108
Depreciation for the year	(1,063)	(738)
Balance at 31 December	<u>2,344</u>	<u>2,336</u>
	<b>2020</b>	<b>2019</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Lease liabilities</b>		
Non-current	1,289	1,624
Current	1,072	681
	<u>2,361</u>	<u>2,305</u>

### Amounts recognised in profit or loss

	US\$'000
<b>2020</b>	
Interest on lease liabilities	80
Expenses relating to short-term leases	491
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	<u>4</u>

	<b>US\$'000</b>
<b>2019</b>	
Interest on lease liabilities	76
Expenses relating to short-term leases	379
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	3

**Amounts recognised in statement of cash flows**

	<b>2020 US\$'000</b>	<b>2019 US\$'000</b>
Total cash outflow for leases	1,046	737

**18 Provisions**

	<b>Performance incentives US\$'000</b>	<b>Restoration costs US\$'000</b>	<b>Unutilised leave balance US\$'000</b>	<b>Total US\$'000</b>
<b>Group</b>				
<b>2020</b>				
At 1 January	22,989	108	298	23,395
Provision made	–	48	96	144
Provision reversed	(12,700)	–	–	(12,700)
Provision utilised	(9,579)	–	–	(9,579)
At 31 December	710	156	394	1,260
Non-current	–	156	–	156
Current	710	–	394	1,104
	710	156	394	1,260
<b>2019</b>				
At 1 January	26,906	–	384	27,290
Provision made	8,268	108	86	8,462
Provision utilised	(12,185)	–	(172)	(12,357)
At 31 December	22,989	108	298	23,395
Non-current	22,618	108	–	22,726
Current	371	–	298	669
	22,989	108	298	23,395

## 19 Trade and other payables

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Trade payables	5,092	179	15	–
Accrued expenses	13,162	1,210	667	769
Accrued incentives	3,897	4,624	–	–
Amounts due to subsidiaries (non-trade)	–	–	45,388	43,792
Dividend to immediate holding company	2,088	1,199	–	–
Other payables	26,981	18,669	2,159	1,241
	<u>51,220</u>	<u>25,881</u>	<u>48,229</u>	<u>45,802</u>

Accrued incentives relates to staff incentives which are computed based on an approved incentive plan.

Non-trade amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

The Group's and the Company's exposure to liquidity and foreign currency risks related to trade and other payables are disclosed in Note 26.

## 20 Revenue

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Proceeds from divestments	393,693	18,776
Cost of divestments	(405,306)	(15,745)
(Loss)/Gain on divestment of investments	(11,613)	3,031
Direct expenses	(6,314)	–
Net (loss)/gain on divestment of investments	(17,927)	3,031
Distribution income from venture capital funds	5,241	1,125
Equalisation interest from associate	77	–
Interest income from bank and other deposits	421	2,815
Fund management and performance fees	13,147	12,913
	<u>959</u>	<u>19,884</u>

***Realised and unrealised gain/(loss) from non-trading investments designated at FVTPL***

As part of the Group's capital management process, in addition to the relevant laws and regulations governing dividend declaration, the Group also monitors the amount of realised and unrealised retained earnings to safeguard the Group's ability to declare dividends (refer to Note 11).

The Group defines realised and unrealised net gains/losses from non-trading investments designated at FVTPL as follows:

- Realised net gain/(loss) represents the difference between the initial carrying amounts of investments disposed during the period and the disposal amount. The initial carrying amount of an investment is determined using the weighted-average method.
- Unrealised net gain/(loss) comprises current period changes in the fair value of investments held at the reporting date and from reversal of prior period's cumulative unrealised gain/loss realised through disposals in the current reporting period.

**21 Finance costs**

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Financial liabilities measured at amortised cost</b>		
- Dividend on redeemable preference shares	2,357	1,199
- Interest expense on borrowings	789	–
- Interest expense on lease liabilities	80	76
	<u>3,226</u>	<u>1,275</u>

**22 (Loss)/Profit before tax**

The following items have been included in arriving at (loss)/profit before tax:

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Included in other income:		
Foreign exchange gain	–	161
Gain on dilution of subsidiary	15	483
Gain on disposal of property, plant and equipment	–	2,073
		<u>2,617</u>
Included in staff costs:		
Contributions to defined contribution plans	(241)	(226)
		<u>(241)</u>
Included in other operating expenses:		
Foreign exchange loss	(655)	–
Depreciation of property, plant and equipment	(292)	(307)
Depreciation of right-of-use assets	(1,063)	(738)
Operating lease expenses	–	(382)
		<u>(2,338)</u>

## 23 Tax expense

	Note	2020 US\$'000	2019 US\$'000
<b>Current tax expense</b>			
Current year		1,571	14,758
(Over)/Under provided in prior years		(552)	172
		1,019	14,930
<b>Deferred tax expense</b>			
Movements in temporary differences	15	(926)	48
<b>Tax expense</b>		93	14,978
<b>Reconciliation of effective tax rate</b>			
(Loss)/Profit before tax		(32,551)	203,290
Tax using the Singapore tax rate at 17% (2019: 17%)		(5,534)	34,559
Effect of different tax rates in foreign jurisdiction		60	641
Effects of results of associates presented net of tax		(15,206)	(16,611)
Income not subject to tax		(911)	(5,532)
Non-deductible expenses		9,023	5,971
Recognition of tax effect of previously unrecognised tax losses		–	(8,875)
Effect of tax benefits not recognised		9,557	–
Losses not available for carry forward		23,228	6,189
Tax incentives*		(19,572)	(1,536)
(Over)/Under provided in prior years		(552)	172
		93	14,978

\* Certain subsidiaries have been granted Enhanced – Tier Fund Tax Incentives scheme under Section 13X of the Income Tax Act. Subject to certain terms and conditions laid down under the Enhanced – Tier Fund Tax Incentives scheme, income from qualifying activities is exempt from income tax.

## 24 Commitments

At the reporting date, the Group had the following outstanding commitments:

	Group	
	2020 US\$'000	2019 US\$'000
<b>Investment commitments</b>		
Associates	486,888	377,029
Unquoted equity investments	6,819	22,760
Venture capital funds	114,516	16,179
	608,223	415,968

The Group has uncalled capital commitments for the acquisitions of investments from its immediate holding company of approximately US\$229,827,000 (2019: US\$281,223,000).

The Company has uncalled capital commitments to its subsidiaries of approximately US\$563,497,000 (2019: US\$669,931,132).

## 25 Related parties

For the purpose of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

### *Related party transactions*

Other than the information disclosed elsewhere in the financial statements, there were no other significant transactions between the Group and its related parties in the year.

### *Key management personnel compensation*

Key management personnel of the Group and the Company are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. The directors are considered as key management personnel of the Company.

The key management personnel compensation included in staff costs is as follows:

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Directors' fees	613	484
Short-term employee benefits	5,270	3,651
	5,883	4,135
	5,883	4,135

## 26 Financial instruments

### **Risk management objectives and policies**

#### *Overview*

The Group's principal businesses are in venture capital fund investment and venture capital fund management. It operates in Asia Pacific, US, Europe and Israel where investments are made and revenues are generated in various currencies. The Group invests mainly in equity securities of private companies in various industries, sectors and geographical location. Exposure to investment, credit, liquidity, foreign exchange and interest rate risks arises in the normal course of the Group's business. The Group's risk management approach is to minimise the potential adverse effects of these risk factors on the Group's financial performance.

The Group's major risks include but are not limited to the following:

#### *Investment risk*

The Group's investments include start-up or early stage of growth companies which involves substantial risks. These companies have little or no operating history, track records and resources, and established products. A significant length of time is required for the Group to realise these investments.

The venture capital investments which includes companies in technology sectors, mainly in the Internet/Mobile/Media/Social Networking, Technology, Clean-technology, Manufacturing and Electronics, Health-care, Services and Others, which are subject to rapid changes and technological advances. In addition, these investments may be concentrated on a limited number of companies, specific regions or industry sectors.

As the Group's investments are in unlisted investee companies, there may be limited avenues available to the Group to divest such investments. Some of the possible avenues to realise these unlisted investments are by way of an initial public offering, acquisition by a listed company or trade sale. However, there is no assurance that the Group will be able to realise its investments by way of an initial public offering, acquisition by a listed company or trade sale.

The Group mitigates its investment risks through stringent selection of investment opportunities and proper structuring of the investment transaction. The fund managers play a lead role in the investment origination process, developing close working relationships with the investee companies and providing guidance and assistance on the strategic and operational matters of the investee companies. Investment committees are established to review and approve all investment proposals.

The Group has a portfolio of listed investments arising from its investments in unlisted companies having achieved liquidity either through an initial public offering or through acquisition by a listed company. Share prices of these companies are subject to fluctuations due to volatility in the stock markets, market reactions to reported financial results, outlook of technology sector and industries of these investee companies.

The Group monitors daily changes in the share prices and news reported on the listed investments for divestment decision-making. In the divestment decision-making process, the Group also takes into account the trading window (when applicable) and trading volume of each listed security as well as analyst recommendations.

### ***Credit risk***

Credit risk is the risk of financial loss to the Group or the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's and the Company's receivables from customers.

The carrying amounts of financial assets represent the Group's maximum exposure to credit risk. At the reporting date, there were no significant concentrations of credit risk due from third parties, other than the placement of excess cash with banks and financial institutions.

The maximum exposure to credit risk at the reporting date was as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Other receivables and advances	1,301	2,921	–	–
Trade and other receivables	324,164	5,100	87,954	25,033
	325,465	8,021	87,954	25,033
Cash and cash equivalents	128,621	84,965	83,266	17,279
	454,086	92,986	171,220	42,312

### *Trade receivables*

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment terms and conditions are offered. The Group's review includes financial information and past trend of payments, where applicable. The Group considers all of its customers to have a low risk of default.

The Group limits its exposure to credit risk from trade receivables by establishing maximum payment periods of three months for customers.

### *Expected credit loss assessment*

The Group uses an allowance matrix to measure the ECLs of trade receivables from individual customers. Based on historical default rates, the Group believes that no impairment allowance is necessary in respect of trade receivables.

### *Other receivables*

The Group uses an approach that is based on an assessment of qualitative and quantitative factors that are indicative of the risk of default (including but not limited to external ratings audited financial statements, management accounts and cash flow projections, and available press information, if available, and applying experienced credit judgement). There is no significant increase in credit risk for these exposures. Therefore, impairment on these balances has been measured on the 12 month expected credit loss basis; and the amount of the allowance is insignificant.

### *Cash and cash equivalents*

The Group and the Company held cash and cash equivalents of US\$128,621 and US\$83,266 respectively at 31 December 2020 (2019: US\$84,965 and US\$17,279 respectively). The cash and cash equivalents are held with reputable banks and financial institution counterparties which are regulated.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

The Group uses a similar approach for assessment of ECLs for cash and cash equivalents to those used for debt investments. The amount of the allowance on cash and cash equivalents is negligible.

### ***Liquidity risk***

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's objective when 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.

The Group's primary sources of funding are mainly capital injection from immediate holding company and proceeds from divestments/return of capital as well as dividends received. The Group also has uncommitted banking facilities that are mainly used for bridging purposes.

The Group manages the liquidity structure of its assets, liabilities and commitments so that cash flows are appropriately balanced and the Group will always have sufficient liquidity to finance its operations and meet all funding obligations when due. Liquidity is managed on a daily basis.

The following are the contractual maturities of financial liabilities.

	Carrying amount US\$'000	Contractual cash flows US\$'000	Within 1 year US\$'000	1 to 2 years US\$'000	2 to 5 years US\$'000
<b>Group</b>					
<b>2020</b>					
Trade and other payables	51,220	(51,220)	(51,220)	–	–
Borrowings	99,000	(99,000)	(99,000)	–	–
Lease liabilities	2,361	(2,516)	(1,045)	(1,471)	–
Redeemable preference shares	40,700	(54,836)	(2,088)	(6,024)	(46,724)
Other long-term liabilities	1,146	(1,146)	–	(1,146)	–
	<u>194,427</u>	<u>(208,718)</u>	<u>(153,353)</u>	<u>(8,641)</u>	<u>(46,724)</u>
<b>2019</b>					
Trade and other payables	25,881	(25,881)	(25,881)	–	–
Lease liabilities	2,305	(2,403)	(737)	(766)	(900)
Redeemable preference shares	25,700	(38,267)	(2,513)	(2,513)	(33,241)
Other long-term liabilities	1,265	(1,265)	–	(1,265)	–
	<u>55,151</u>	<u>(67,816)</u>	<u>(29,131)</u>	<u>(4,544)</u>	<u>(34,141)</u>
<b>Company</b>					
<b>2020</b>					
Trade and other payables	48,229	(48,229)	(48,229)	–	–
Borrowings	99,000	(99,000)	(99,000)	–	–
Redeemable preference shares	40,700	(54,836)	(2,088)	(6,024)	(46,724)
	<u>187,929</u>	<u>(202,065)</u>	<u>(149,317)</u>	<u>(6,024)</u>	<u>(46,724)</u>
<b>2019</b>					
Trade and other payables	45,802	(45,802)	(45,802)	–	–
Redeemable preference shares	25,700	(38,267)	(2,513)	(2,513)	(33,241)
	<u>71,502</u>	<u>(84,069)</u>	<u>(48,315)</u>	<u>(2,513)</u>	<u>(33,241)</u>

### **Foreign currency risk**

The Group is exposed to foreign currency risk on investments, operating expenses and borrowings that are denominated in a currency other than its global trading currency which is the US dollar. The Group's venture capital fund investment activities are exposed to foreign currency risk, where the investments made in various currencies are dependent on the currency of realisation of these investments. For investments which is subsequently listed, the currency in which the investment is realised depends on the location of the exchange and the currency in which the investment is listed.

The Group does not hedge its foreign currency exposure as the nature of its business makes it difficult to forecast the timing and quantum related to the realisation of the investments as well as the currency in which the realisation would be made. Foreign currency exposure is regarded as an integral part of its investment risks and any gain or loss forms part of its investment returns.

The Group is also exposed to foreign currency fluctuations as the source of capital funding includes Euro, Hong Kong dollar, Taiwan dollar, Singapore dollar, Chinese yuan, Indian rupee, Swiss franc and British pound. It is difficult for the Group to hedge against such foreign currency exposure as the timing and quantum of returns are not predictable.

At the reporting date, the Group's exposures to foreign currencies were primarily as follows based on notional amounts:

Group	Euro US\$'000	Hong Kong dollar US\$'000	Taiwan dollar US\$'000	Singapore dollar US\$'000	Chinese yuan US\$'000	Indian rupee US\$'000
<b>2020</b>						
<b>Financial assets</b>						
Investments	18,402	–	–	258	161,201	3,445
Cash and cash equivalents	–	–	11	3,026	8	539
Trade and other receivables	–	33	–	3,583	21,920	31
Other receivables and advances	–	–	–	–	1,274	–
<b>Financial liabilities</b>						
Trade and other payables	–	–	–	(26,245)	(15,666)	(29)
Lease liabilities	–	–	–	(2,362)	–	–
Other long-term liabilities	–	–	–	–	(1,146)	–
	<u>18,402</u>	<u>33</u>	<u>11</u>	<u>(21,740)</u>	<u>167,591</u>	<u>3,986</u>
<b>2019</b>						
<b>Financial assets</b>						
Investments	14,248	–	374	258	253,631	53,676
Cash and cash equivalents	–	–	9	1,649	83	562
Trade and other receivables	–	–	–	3,915	67	44
Other receivables and advances	–	33	–	1,587	1,274	–
<b>Financial liabilities</b>						
Trade and other payables	–	–	–	(12,795)	–	(40)
Lease liabilities	–	–	–	(1,731)	–	–
Other long-term liabilities	–	–	–	–	(1,146)	–
	<u>14,248</u>	<u>33</u>	<u>383</u>	<u>(7,117)</u>	<u>253,909</u>	<u>54,242</u>

At the reporting date, the Company's exposure to foreign currencies was as follows based on notional amounts:

Company	Singapore dollar	
	2020 US\$'000	2019 US\$'000
<b>Financial assets</b>		
Investments	258	258
Cash and cash equivalents	1,439	15
Trade and other receivables	3	–
	<u>1,700</u>	<u>273</u>
<b>Financial liabilities</b>		
Trade and other payables	<u>(274)</u>	<u>(271)</u>

*Sensitivity analysis*

A 10% strengthening of the US dollar against the following currencies at the reporting date would increase/(decrease) equity and profit or loss by the amounts shown below assuming that all other variables remain constant.

	Group Profit or loss US\$'000	Company Profit or loss US\$'000
<b>2020</b>		
Euro	(1,840)	–
Hong Kong dollar	(3)	–
Taiwan dollar	(1)	–
Singapore dollar	2,174	(143)
Chinese yuan	(16,759)	–
Indian rupee	<u>(399)</u>	<u>–</u>
<b>2019</b>		
Euro	(1,425)	–
Hong Kong dollar	(3)	–
Taiwan dollar	(38)	–
Singapore dollar	712	–
Chinese yuan	(25,391)	–
Indian rupee	<u>(5,424)</u>	<u>–</u>

Similarly, a 10% weakening of the US dollar against the above currencies at the reporting date would have had the equal but opposite effect.

**Equity price risk**

As at 31 December 2020, the Group's total investments in quoted equity securities was US\$184,048,000 (2019: US\$262,802,000).

A 10% increase in the underlying quoted equity securities prices at the reporting date would increase equity by the amounts shown below assuming that all other variables remain constant.

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Equity	18,405	26,280

Similarly, a 10% decrease in the underlying quoted equity securities prices at the reporting date would have had the equal but opposite effect.

At the reporting date, the Company is not exposed to any equity price risk.

**Exposure to interest rate risk**

At the reporting date, the interest rate profile of the interest-bearing financial instruments was as follows:

	<b>Group</b>		<b>Company</b>	
	<b>Nominal amount</b>		<b>Nominal amount</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Variable rate instruments</b>				
Financial liabilities	(99,000)	–	(99,000)	–
	(99,000)	–	(99,000)	–

**Cash flow sensitivity analysis for variable rate instruments**

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	<b>Profit or loss</b>	
	<b>100 bp</b>	<b>100 bp</b>
	<b>increase</b>	<b>decrease</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Group</b>		
<b>2020</b>		
Variable rate instruments	(990)	990
Cash flow sensitivity (net)	(990)	990
<b>2019</b>		
Variable rate instruments	–	–
Cash flow sensitivity (net)	–	–

<b>Company</b>	<b>Profit or loss</b>	
	<b>100 bp increase US\$'000</b>	<b>100 bp decrease US\$'000</b>
<b>2020</b>		
Variable rate instruments	(990)	990
Cash flow sensitivity (net)	(990)	990
<b>2019</b>		
Variable rate instruments	—	—
Cash flow sensitivity (net)	—	—

***Valuation methodology applied by the Group***

The Group has an established control framework with respect to the measurement of fair values. This framework includes a valuation team to implement the investment valuation methodology approved by the investment committee. The valuation team also determines the valuation of investments and makes recommendation of impairment in the value of investments to be reviewed and approved by the Board of Directors of the respective investment companies.

The valuation team regularly reviews inputs and valuation adjustments and take into consideration the guidelines set out in the applicable investment valuation policy. If third party information, such as latest round of financing, is used to measure fair value then the valuation team assesses and documents the evidence obtained from the third parties to support the conclusion that the valuations are appropriately classified in the fair value hierarchy.

***Fair value hierarchy***

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included in 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).

	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	Total US\$'000
<b>Group</b>				
<b>2020</b>				
Financial assets designated at FVTPL	184,048	–	264,680	448,728
<b>2019</b>				
Financial assets designated at FVTPL	262,802	–	652,806	915,608
<b>Company</b>				
<b>2020</b>				
Financial assets designated at FVTPL	–	–	258	258
<b>2019</b>				
Financial assets designated at FVTPL	–	–	258	258

#### Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

#### Financial instruments measured at fair value

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Net asset value	Net asset value	The estimated fair value would increase if net asset value is higher
Last round of financing	Last round of financing	The estimated fair value would increase if the price per share in the latest round of financing is higher.

**Sensitivity analysis**

For the fair values of investments held mandatorily at FVTPL, an increase in the significant unobservable input by 10% at the reporting date would have the following favourable impact by the amount shown below.

	<b>Favourable impact on profit before tax for the year US\$'000</b>
<b>Group</b>	
<b>2020</b>	
Net asset value	15,079
Last round of financing	<u>11,389</u>
<b>2019</b>	
Net asset value	51,432
Last round of financing	<u>13,849</u>

The following table presents the changes in Level 3 instruments:

	<b>Investments mandatorily held at FVTPL – Non-trading</b>	
	<b>2020 US\$'000</b>	<b>2019 US\$'000</b>
<b>Group</b>		
At 1 January	652,806	675,126
Total unrealised gains or losses for the year recognised in profit or loss	(42,862)	(38,335)
Purchases	43,919	35,917
Settlements	(389,183)	(19,902)
At 31 December	<u>264,680</u>	<u>652,806</u>

**Fair value of financial instruments**

Although management has employed its best judgement in the estimation of fair values, there is inevitably a significant element of subjectivity involved in the calculations. Therefore, the fair value estimates presented above are not necessarily indicative of the amounts the Group could have realised in a sale transaction.

The methodologies and assumptions used depend on the terms and risk characteristics of the various instruments and include the following:

### **Financial assets**

#### ***Investments***

The fair values of all quoted investments are determined by reference to their last quoted bid market price at the reporting date.

The fair values of direct unquoted venture capital investments are based on various factors that are broadly categorised as follows:

- (a) Fair values of companies that are identified for Initial Public Offering or near term liquidity are based on various factors including investment bankers' estimated valuation, average revenue multiple of comparable companies and the latest round of financing within a certain period.
- (b) Fair values of companies that are performing to plan are estimated to be equivalent to their costs or previous round of financing unless there are indications to suggest a higher valuation.
- (c) Fair values of investments in companies that are not meeting revenue or profits forecast, running out of cash in the near term and where business model is in doubt, are based on various factors which affect the financial and operating position of the companies, taking into consideration their present value of estimated cash flows.
- (d) Fair values of companies that have failed or are no longer in operation or are under liquidation are estimated to be nil.
- (e) Fair value of investment in venture capital funds is determined by using the estimated realisable value based on its net asset values.

### **Other financial assets**

After taking into account the present value of other receivables and advances, the fair value of other receivables and advances as at the reporting dates approximates their book value. The fair value of all other financial assets approximates their book value in the consolidated statement of financial position due to relatively short term maturity of these financial assets.

### **Financial liabilities**

After taking into account the present value of other long-term liabilities, the fair value of other long-term liabilities as at the reporting dates approximates their book value. The fair value of all other financial liabilities approximates their book value in the consolidated statement of financial position due to relatively short term maturity of these financial liabilities.

## **27 Subsequent events**

On 8 February 2021, the Company redeemed 750,000 Class A RPS at the issue price of US100.00 per share.



**Vertex Venture Holdings Ltd  
and its subsidiaries  
Registration Number: 199708173R**

Financial Statements  
Year ended 31 December 2019

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

## Directors' statement

We are pleased to submit this annual report to the member of the Company together with the audited financial statements for the financial year ended 31 December 2019.

In our opinion:

- (a) the financial statements set out on pages FS1 to FS52 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2019 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50, Singapore Financial Reporting Standards (International) and International Financial Reporting Standards; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

## Directors

The directors in office at the date of this statement are as follows:

Teo Ming Kian  
 Lee Kheng Nam  
 Chua Kee Lock  
 Chia Chee Ming Timothy  
 Rohit Sipahimalani

## Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50 (the "Act"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and children) in shares, debentures, warrants and share options in the Company and in related corporations are as follows:

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year
<b>Teo Ming Kian</b>		
Altrium PE Fund I F&F LP		
- Bonds (committed but not drawn)	NA	US\$300,000
<b>Astrea IV Pte. Ltd.</b>		
- Class A-1 4.35% Secured Fixed Rate Bonds	S\$7,000	S\$7,000
- Class A-2 5.5% Secured Fixed Rate Bonds	US\$200,000	US\$200,000
- Class A1 3.85% Secured Fixed Rate Bonds	NA	S\$16,000

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year
<b>Teo Ming Kian (cont'd)</b>		
CapitaLand Limited		
- S\$ ordinary shares fully paid	NA	7,000
CapitaLand Mall Trust Management Limited		
- Unit holding in CapitaLand Mall Trust	NA	11,000
Mapletree Treasury Services Ltd		
- SGD625 million 4.5% Perpetual Securities issued in 2017	S\$250,000	S\$500,000
Olam International Limited		
- S\$ ordinary shares fully paid	10,000	10,000
Singapore Airlines Limited		
- S\$ ordinary shares fully paid	1,000	1,000
- 3.035% Notes	S\$250,000	S\$250,000
Singapore Technologies Telemedia Pte. Ltd.		
- 4.05% Notes	S\$532,246.46	S\$532,242.46
Singapore Telecommunications Limited		
- S\$ ordinary shares fully paid	380	380
The Lifesciences Innovation Fund Pte. Ltd.	NA	1,000
- S\$ preference shares fully paid		
VMII Affiliates Fund LP		
- Subscription as limited partner (committed but not drawn)	NA	US\$200,000
<b>Lee Kheng Nam</b>		
Allegro Aqua Pte. Ltd.		
- S\$ ordinary shares fully paid	-	66,667
Eugenics Ltd*	50,000	50,000
- S\$ ordinary shares fully paid		
Singapore Telecommunications Limited		
- S\$ ordinary shares fully paid	3,230	3,230
The Lifesciences Innovation Fund Pte. Ltd.		
- S\$ preference shares fully paid	NA	1,000
VMII Affiliates Fund LP		
- Subscription as limited partner (committed but not drawn)	NA	US\$200,000

<b>Name of director and corporation in which interests are held</b>	<b>Holdings at beginning of the year</b>	<b>Holdings at end of the year</b>
<b>Rohit Sipahimalani</b>		
Astrea III Pte. Ltd.		
- Class A-1 Notes	S\$1,500,000	Nil
- Class A-2 Notes	US\$800,000	US\$800,000
Astrea IV Pte. Ltd.		
- Class A-1 Bonds	S\$750,000	S\$750,000
- Class A-2 Bonds	US\$200,000	US\$200,000
Astrea V Pte. Ltd.		
- Class A-1 Bonds	NA	S\$100,000
- Class A-2 Bonds	NA	US\$400,000
Atrium PE Fund I F&F L.P.		
- Bonds (committed but not drawn)	NA	US\$1,000,000
VMII Affiliates Fund LP		
- Subscription as limited partner (committed but not drawn)	NA	US\$500,000
<b>Chua Kee Lock</b>		
Singapore Telecommunications Limited		
- S\$ ordinary shares fully paid	3,160	3,160
VMII Affiliates Fund LP		
- Subscription as limited partner (committed but not drawn)	NA	US\$100,000
<b>Chia Chee Ming Timothy</b>		
Singapore Telecommunications Limited		
- S\$ ordinary shares fully paid	2,070	2,070
VMII Affiliates Fund LP		
- Subscription as limited partner (committed but not drawn)	NA	US\$250,000

\* The shares are held in the name of ST Trustees Ltd.  
In members' voluntary liquidation on 10 May 2019.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning or at the end of the financial year.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

### **Share options**

During the financial year, there were:

- (i) no options granted by the Company to any person to take up unissued shares in the Company or its subsidiaries; and
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company and its subsidiaries under option.

### **Auditors**

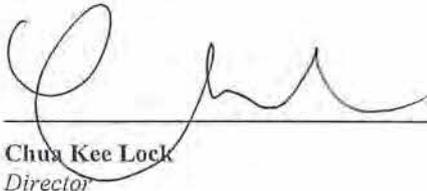
The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors



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**Teo Ming Kian**  
*Director*



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**Chua Kee Lock**  
*Director*

2 April 2020



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## **Independent auditors' report**

Member of the Company  
Vertex Venture Holdings Ltd

### **Report on the audit of the financial statements**

#### *Opinion*

We have audited the financial statements of Vertex Venture Holdings Ltd (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 2019, the consolidated statement of profit or loss, 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 FS1 to FS52.

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 provisions of the Companies Act, Chapter 50 (the "Act"), Singapore Financial Reporting Standards (International) ("SFRS(I)s") and International Financial Reporting Standards ("IFRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2019 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.

#### *Other information*

Management is responsible for the other information which accompanies the financial statements. This other information comprises the Directors' statement.

Our opinion on the financial statements does not cover the other information and we do 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 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of management and directors for the financial statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act, SFRS(I)s and IFRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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.

*Auditors' responsibilities for the audit of the financial statements*

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.



- 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the 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.

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 controls that we identify during our audit.

### **Report on other legal and regulatory requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

A handwritten signature in blue ink, appearing to read 'KPMG LLP', written over the printed name.

**KPMG LLP**  
*Public Accountants and*  
*Chartered Accountants*

**Singapore**  
2 April 2020

**Statements of financial position**  
**As at 31 December 2019**

	Note	Group		Company	
		2019 US\$'000	2018 US\$'000	2019 US\$'000	2018 US\$'000
<b>Non-current assets</b>					
Property, plant and equipment	4	292	659	–	–
Right-of-use assets	16	2,336	–	–	–
Subsidiaries	5	–	–	676,924	524,377
Associates	6	484,856	297,618	–	–
Investments	7	915,608	780,894	258	258
Other receivables and advances	8	2,921	2,809	–	–
		<u>1,406,013</u>	<u>1,081,980</u>	<u>677,182</u>	<u>524,635</u>
<b>Current assets</b>					
Trade and other receivables	9	5,293	9,450	25,033	53,281
Cash and cash equivalents	10	84,965	117,515	17,279	67,297
		<u>90,258</u>	<u>126,965</u>	<u>42,312</u>	<u>120,578</u>
<b>Total assets</b>		<u>1,496,271</u>	<u>1,208,945</u>	<u>719,494</u>	<u>645,213</u>
<b>Equity</b>					
Share capital	11	428,273	378,273	428,273	378,273
Merger reserve	12	12,819	12,819	10,346	10,346
Foreign currency translation reserve	12	5,454	4,496	–	–
Retained earnings		905,605	725,898	208,201	171,118
<b>Equity attributable to owners of the Company</b>		<u>1,352,151</u>	<u>1,121,486</u>	<u>646,820</u>	<u>559,737</u>
Non-controlling interests		47,064	9,158	–	–
<b>Total equity</b>		<u>1,399,215</u>	<u>1,130,644</u>	<u>646,820</u>	<u>559,737</u>
<b>Non-current liabilities</b>					
Redeemable preference shares	13	25,700	–	25,700	–
Deferred tax liabilities	14	1,243	1,195	492	444
Other long-term liabilities	15	1,265	1,265	–	–
Lease liabilities	16	1,624	–	–	–
Provisions	17	22,726	26,764	–	–
		<u>52,558</u>	<u>29,224</u>	<u>26,192</u>	<u>444</u>
<b>Current liabilities</b>					
Trade and other payables	18	25,881	45,840	45,802	84,500
Lease liabilities	16	681	–	–	–
Provisions	17	669	526	–	–
Current tax payable		17,267	2,711	680	532
		<u>44,498</u>	<u>49,077</u>	<u>46,482</u>	<u>85,032</u>
<b>Total liabilities</b>		<u>97,056</u>	<u>78,301</u>	<u>72,674</u>	<u>85,476</u>
<b>Total equity and liabilities</b>		<u>1,496,271</u>	<u>1,208,945</u>	<u>719,494</u>	<u>645,213</u>

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

**Consolidated statement of profit or loss**  
**Year ended 31 December 2019**

	Note	Group	
		2019 US\$'000	2018 US\$'000
Revenue	19	19,884	37,894
Net gain from investments at FVTPL – unrealised	11	119,738	36,981
Other income		2,701	338
Staff costs		(7,769)	(6,525)
Other operating expenses		(27,701)	(17,885)
<b>Results from operating activities</b>		<b>106,853</b>	<b>50,803</b>
Finance costs	20	(1,275)	–
Share of results of associates, net of tax		97,712	35,883
<b>Profit before tax</b>	21	<b>203,290</b>	<b>86,686</b>
Tax expense	22	(14,978)	(756)
<b>Profit for the year</b>		<b>188,312</b>	<b>85,930</b>
<b>Profit attributable to:</b>			
Owners of the Company		188,464	85,369
Non-controlling interests		(152)	561
<b>Profit for the year</b>		<b>188,312</b>	<b>85,930</b>

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

**Consolidated statement of comprehensive income**  
**Year ended 31 December 2019**

	<b>Note</b>	<b>Group</b>	
		<b>2019</b>	<b>2018</b>
		<b>US\$'000</b>	<b>US\$'000</b>
<b>Profit for the year</b>		188,312	85,930
<b>Other comprehensive income</b>			
<b>Items that are or may be reclassified subsequently to profit or loss:</b>			
Foreign currency translation differences – foreign operations		958	(2,181)
<b>Other comprehensive income for the year, net of tax</b>		958	(2,181)
<b>Total comprehensive income for the year</b>		189,270	83,749
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		189,422	83,188
Non-controlling interests		(152)	561
<b>Total comprehensive income for the year</b>		189,270	83,749

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

**Consolidated statement of changes in equity**  
**Year ended 31 December 2019**

	Attributable to owners of the Company					Non- controlling interests US\$'000	Total equity US\$'000
	Share capital US\$'000	Merger reserve US\$'000	Foreign currency translation reserve US\$'000	Retained earnings US\$'000	Total US\$'000		
<b>Group</b>							
At 1 January 2018	378,273	12,819	6,677	653,848	1,051,617	10,812	1,062,429
<b>Total comprehensive income for the year</b>							
Profit for the year	–	–	–	85,369	85,369	561	85,930
<b>Other comprehensive income</b>							
Foreign currency translation differences – foreign operations	–	–	(2,181)	–	(2,181)	–	(2,181)
<b>Total comprehensive income for the year</b>	–	–	(2,181)	85,369	83,188	561	83,749
Balance carried forward	378,273	12,819	4,496	739,217	1,134,805	11,373	1,146,178

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

**Consolidated statement of changes in equity (cont'd)**  
**Year ended 31 December 2019**

<b>Group</b>	<b>Attributable to owners of the Company</b>					<b>Non- controlling interests</b>	<b>Total equity</b>
	<b>Share capital</b>	<b>Merger reserve</b>	<b>Foreign currency translation reserve</b>	<b>Retained earnings</b>	<b>Total</b>		
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Balance brought forward	378,273	12,819	4,496	739,217	1,134,805	11,373	1,146,178
<b>Transactions with owners, recognised directly in equity</b>							
<b>Contributions by and distributions to owners</b>							
Interim dividend declared (Note 11)	–	–	–	(13,319)	(13,319)	–	(13,319)
Capital contribution by non-controlling interest of subsidiary	–	–	–	–	–	1,033	1,033
Redemption by non-controlling interest of subsidiary	–	–	–	–	–	(2,340)	(2,340)
Dividends to non-controlling interests (Note 11)	–	–	–	–	–	(908)	(908)
<b>Total contributions by and distributions to owners, representing total transactions with owners</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(13,319)</b>	<b>(13,319)</b>	<b>(2,215)</b>	<b>(15,534)</b>
At 31 December 2018	378,273	12,819	4,496	725,898	1,121,486	9,158	1,130,644

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

**Consolidated statement of changes in equity (cont'd)**  
**Year ended 31 December 2019**

<b>Group</b>	<b>Attributable to owners of the Company</b>					<b>Non- controlling interests</b>	<b>Total equity</b>
	<b>Share capital</b>	<b>Merger reserve</b>	<b>Foreign currency translation reserve</b>	<b>Retained earnings</b>	<b>Total</b>		
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
At 1 January 2019	378,273	12,819	4,496	725,898	1,121,486	9,158	1,130,644
<b>Total comprehensive income for the year</b>							
Profit for the year	–	–	–	188,464	188,464	(152)	188,312
<b>Other comprehensive income</b>							
Foreign currency translation differences – foreign operations	–	–	958	–	958	–	958
<b>Total comprehensive income for the year</b>	–	–	958	188,464	189,422	(152)	189,270
Balance carried forward	378,273	12,819	5,454	914,362	1,310,908	9,006	1,319,914

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

**Consolidated statement of changes in equity (cont'd)**  
**Year ended 31 December 2019**

<b>Group</b>	<b>Attributable to owners of the Company</b>					<b>Non- controlling interests</b>	<b>Total equity</b>
	<b>Share capital</b>	<b>Merger reserve</b>	<b>Foreign currency translation reserve</b>	<b>Retained earnings</b>	<b>Total</b>		
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Balance brought forward	378,273	12,819	5,454	914,362	1,310,908	9,006	1,319,914
<b>Transactions with owners, recognised directly in equity</b>							
<b>Contributions by and distributions to owners</b>							
Issue of 500,000 Class A USD redeemable preference shares @ US\$100 per share	50,000	–	–	–	50,000	–	50,000
Interim dividend declared (Note 11)	–	–	–	(8,757)	(8,757)	–	(8,757)
Capital contribution by non-controlling interest of subsidiary	–	–	–	–	–	39,088	39,088
Dilution of non-controlling interests	–	–	–	–	–	(484)	(484)
Dividends to non-controlling interests (Note 11)	–	–	–	–	–	(546)	(546)
<b>Total contributions by and distributions to owners, representing total transactions with owners</b>	<b>50,000</b>	<b>–</b>	<b>–</b>	<b>(8,757)</b>	<b>41,243</b>	<b>38,058</b>	<b>79,301</b>
At 31 December 2019	428,273	12,819	5,454	905,605	1,352,151	47,064	1,399,215

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

**Consolidated statement of cash flows**  
**Year ended 31 December 2019**

	<b>Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Cash flows from operating activities</b>		
Profit for the year	188,312	85,930
Adjustments for:		
Depreciation of property, plant and equipment	307	271
Depreciation of right-of-use assets	738	–
Distribution income from venture capital funds	(1,125)	(11,708)
Gain on disposal of property, plant and equipment	(2,073)	–
Gain on dilution of subsidiary	(484)	–
Finance costs	1,275	–
Interest income	(2,815)	(3,892)
Net gain on divestment of investments	(3,031)	(14,615)
Net gain from investments at FVTPL – unrealised	(119,738)	(36,981)
Provisions made	8,268	2,337
Share of results of associates, net of tax	(97,712)	(35,883)
Tax expense	14,978	756
Operating loss before working capital changes	(13,100)	(13,785)
Changes in working capital:		
Other receivables and advances	(112)	1,915
Trade and other receivables	4,205	(7,209)
Trade and other payables	5,644	(32,735)
Provisions	(12,271)	(2,115)
Cash utilised in operations	(15,634)	(53,929)
Distributions received from associates	49,518	30,460
Distributions received from venture capital funds	6,502	20,118
Tax paid	(263)	(408)
Interest received	2,767	3,892
Proceeds from divestment of investments	18,776	46,335
Acquisition of interests in associates	(139,044)	(103,709)
Purchase of investments	(35,917)	(57,045)
<b>Net cash used in operating activities carried forward</b>	<b>(113,295)</b>	<b>(114,286)</b>

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

**Consolidated statement of cash flows (cont'd)**  
**Year ended 31 December 2019**

	<b>Note</b>	<b>Group</b>	
		<b>2019</b>	<b>2018</b>
		<b>US\$'000</b>	<b>US\$'000</b>
<b>Net cash used in operating activities brought forward</b>		(113,295)	(114,286)
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment		2,304	24
Purchase of property, plant and equipment		(171)	(207)
<b>Net cash used in investing activities</b>		<u>2,133</u>	<u>(183)</u>
<b>Cash flows from financing activities</b>			
Capital contribution from non-controlling interests		39,088	1,033
Redemption by non-controlling interest		–	(2,340)
Dividends paid to owner of the Company		(35,559)	–
Dividends paid to non-controlling interests		(546)	(908)
Payment of lease liabilities		(737)	–
Proceeds from issuance of Class A redeemable preference shares		50,000	–
Proceeds from issuance of Class B redeemable preference shares		25,700	–
<b>Net cash from/(used in) financing activities</b>		<u>77,946</u>	<u>(2,215)</u>
<b>Net decrease in cash and cash equivalents</b>		(33,216)	(116,684)
Cash and cash equivalents at beginning of year		117,515	234,678
Effect of exchange rate changes on balances held in foreign currency		666	(479)
<b>Cash and cash equivalents at end of year</b>	11	<u>84,965</u>	<u>117,515</u>

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

**Consolidated statement of cash flows (cont'd)**  
**Year ended 31 December 2019**

**Reconciliation of movements of liabilities to cash flows arising from financing activities**

	<b>Liabilities</b>		
	<b>Lease liabilities</b>	<b>Redeemable preference shares</b>	<b>Total</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Balance at 1 January 2019</b>	2,966	–	2,966
<b>Changes from financing cash flows</b>			
Proceeds from issuance of redeemable preference shares	–	25,700	25,700
Repayment of lease liabilities	(737)	–	(737)
<b>Total changes from financing cash flows</b>	(737)	25,700	24,963
<b>Non-cash changes</b>			
Interest expense	76	1,199	1,275
Interest accrued	–	(1,199)	(1,199)
<b>Total non-cash changes</b>	76	–	76
<b>Balance at 31 December 2019</b>	<u>2,305</u>	<u>25,700</u>	<u>28,005</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 2 April 2020.

### **1 Domicile and activities**

Vertex Venture Holdings Ltd (the “Company”) is a company incorporated in Singapore. The address of the Company’s registered office is 250 North Bridge Road #11-01 Raffles City Tower Singapore 179101.

The financial statements of the Group as at and for the year ended 31 December 2019 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”) and the Group’s interest in equity-accounted investees.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are those of investment holding and provision of investment management services to venture capital funds.

As at 31 December 2019, the immediate and ultimate holding companies are Ellensburg Holding Pte. Ltd. and Temasek Holdings (Private) Limited, respectively. Both companies are incorporated in Singapore.

### **2 Basis of preparation**

#### **2.1 Statement of compliance**

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)s”) and International Financial Reporting Standards (“IFRSs”).

All references to SFRS(I)s and IFRSs are subsequently referred to as IFRS in this financial statements unless otherwise specified.

This is the first set of the Group’s annual financial statements in which IFRS 16 *Leases* has been applied. The related changes to significant accounting policies are described in Note 2.5.

#### **2.2 Basis of measurement**

The financial statements have been prepared on the historical cost basis except as otherwise disclosed in the notes below.

#### **2.3 Functional and presentation currency**

These financial statements are presented in United States (US) dollars, which is the Company’s functional currency. All financial information presented in US 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 IFRS 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.

Information about significant areas of estimation uncertainties and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in Note 25 – Financial instruments.

## 2.5 Changes in accounting policies

The Group has applied the following IFRSs, amendments to and interpretations of IFRS for the first time for the annual period beginning on 1 January 2019:

- IFRS 16 *Leases*
- IFRS INT 23 *Uncertainty over Income Tax Treatments*
- *Long-term Interests in Associates and Joint Ventures* (Amendments to IAS 28)
- *Prepayment Features with Negative Compensation* (Amendments to IAS 9)
- *Previously Held Interest in a Joint Operation* (Amendments to IFRS 3 and 11)
- *Income Tax Consequences of Payments on Financial Instruments Classified as Equity* (Amendments to IAS 12)
- *Borrowing Costs Eligible for Capitalisation* (Amendments to IAS 23)
- *Plan Amendment, Curtailment or Settlement* (Amendments to IAS 19)

Other than IFRS 16, the application of these amendments to standards and interpretations does not have a material effect on the financial statements.

### **IFRS 16 *Leases***

The Group applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 is not restated – i.e. it is presented, as previously reported, under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in IFRS 16 have not generally been applied to comparative information.

#### *Definition of a lease*

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 *Determining whether an Arrangement contains a Lease*. The Group now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in IFRS 16.

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Group applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease under IFRS 16. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 January 2019.

#### *As a lessee*

As a lessee, the Group leases many assets including office premises. The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for most of these leases – i.e. these leases are on-Statement of Financial Position.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price. However, for leases of property the Group has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component.

#### *Leases classified as operating leases under IAS 17*

Previously, the Group classified office premises lease as operating leases under IAS 17. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the respective lessee entities' incremental borrowing rates applicable to the leases as at 1 January 2019. Right-of-use assets are measured at either:

- their carrying amount as if IFRS 16 had been applied since the commencement date, discounted using the applicable incremental borrowing rates at the date of initial application: the Group applied this approach to its largest office premises lease; or
- an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments: the Group applied this approach to all other leases.

The Group has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

The Group used a number of practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17. In particular, the Group:

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise right-of-use assets and liabilities for leases of low value assets (e.g. IT equipment);
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.

#### **Impact on financial statements**

##### *Impact on transition\**

On transition to IFRS 16, the Group recognised additional right-of-use assets and additional lease liabilities, recognising the difference in retained earnings.

The impact on transition is summarised below.

	<b>1 January 2019 US\$'000</b>
Right-of-use assets – property, plant and equipment	2,966
Lease liabilities	<u>2,966</u>

\* For the impact of IFRS 16 on profit or loss for the period, see Note 16. For the details of accounting policies under IFRS 16 and IAS 17, see Note 3.11.

### **3 Significant accounting policies**

Except as described in Note 2.5, the accounting policies set out below have been applied consistently to all periods presented in these financial statements.

#### **3.1 Basis of consolidation**

##### ***Business combinations***

The Group accounts for business combinations using the acquisition method when control is transferred to the Group.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition 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 IFRSs.

Costs related to the acquisition, other than those associated with the issue of debt or equity investments, 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 equity transactions.

### ***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 these 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.

### ***Acquisitions from entities under common control***

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group entity and any gain or loss arising is recognised directly in equity.

### ***Loss of control***

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

### ***Investments in associates***

Associates are those entities in which the Group has significant influence, but not 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.

Investments in associates are accounted for using the equity method. They are recognised initially at cost, which includes transaction 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 commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that investment, including 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.

### ***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.

### ***Subsidiaries and associates in the separate financial statements***

Investments in subsidiaries and associates are stated in the Company's statement of financial position at cost less accumulated impairment losses.

## 3.2 Foreign currency

### ***Foreign currency transactions***

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated 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 retranslated 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 retranslation are recognised in profit or loss.

### ***Foreign operations***

The assets and liabilities of foreign operations are translated to the functional currency at exchange rates at the reporting date. The income and expenses of foreign operations are translated to the functional currency at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity. However, if the foreign 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 or significant influence 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 that includes a foreign operation while retaining significant influence, 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 to occur 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.

### 3.3 Property, plant and equipment

#### ***Recognition and measurement***

Items of property, 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. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

#### ***Subsequent costs***

The cost of replacing a component of an item of property, 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 property, plant and equipment are recognised in profit or loss as incurred.

#### ***Depreciation***

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

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, 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. Freehold land is not depreciated.

Depreciation is recognised from the date that the property, 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:

Buildings	10 to 30 years
Leasehold improvements	2 to 5 years
Furniture, fittings and equipment	2 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.

### 3.4 Financial instruments

#### **Non-derivative financial instruments**

##### i. Recognition and initial measurement

Non-derivative financial instruments comprise investments in equity investments and debt investments, trade and other receivables (excluding prepayments), cash and cash equivalents, redeemable preference shares and trade and other payables.

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

The Group recognises trade and other receivables (excluding prepayments), cash and cash equivalents and redeemable preference shares on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on trade date which is the date on which the Company becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control and neither transfers nor retains substantially all the risks and rewards of ownership of the asset or the Company transfers substantially all the risks and rewards of ownership of the asset.

Non-derivative financial instruments (unless it is a trade receivable without a significant financing component) are recognised initially at fair value plus, for instruments not at fair value through profit or loss ("FVTPL"), any directly attributable transaction costs. For instruments that are at FVTPL, at initial recognition, attributable transaction costs are recognised in profit or loss when incurred. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification, subsequent measurement and gains and losses – Financial assets

On initial recognition, a financial asset is classified as measured at: FVTPL or amortised cost.

The determination of the classification at initial recognition into each of the measurement category and the subsequent measurement for each measurement category are as described below.

- (a) Financial assets at FVTPL
- Classification – mandatorily at FVTPL (non-trading)**  
Financial assets which are managed and whose performance is evaluated on a fair value basis and those that are not classified as measured at amortised cost as described below are measured at FVTPL.

**Subsequent measurement and gains and losses**

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

- (b) Financial assets at amortised cost
- Classification**  
A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
  - the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Subsequent measurement and gains and losses**

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

**Reclassifications**

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

iii. Classification, subsequent measurement and gains and losses – Financial liabilities

Financial liabilities are classified as measured at amortised cost.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled. Any gain or loss on derecognition is also recognised in profit or loss.

Redeemable preference shares are classified as a financial liability if they are redeemable on a specific date at the option of the shareholders or if dividend payments are not discretionary. Dividends thereon are recognised as interest expense in profit or loss as accrued.

iv. Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently 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.

Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

3.5 Impairment of financial assets

The Group recognises loss allowance for expected credit losses in the following financial instruments that are not measured at FVTPL:

- trade receivables;
- other receivables; and
- cash and cash equivalents.

Loss allowances of the Group are measured on either of the following bases:

- 12-month expected credit losses (ECL): these are ECL that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECL: these are ECL that result from all possible default events over the expected life of a financial instrument.

***Simplified approach***

The Group applies the simplified approach to provide for ECL for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECL.

### ***General approach***

The Group applies the general approach to provide for ECL on all other financial instruments. Under the general approach, loss allowance is measured at an amount equal to 12-month ECL at initial recognition.

At each reporting date, the Group assessed whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECL.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improve such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECL.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

### ***Measurement of ECL***

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.

## 3.6 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.

### ***Preference share capital***

Redeemable preference shares are classified as equity if they are non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. Discretionary dividends thereon are recognised as distributions within equity upon approval by the Company's shareholders.

## 3.7 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

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.

### 3.8 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be measured reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

### 3.9 Employee benefits

#### ***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 plans are recognised as staff costs in profit or loss in the periods during which related services are rendered by employees.

#### ***Employee leave entitlement***

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to the reporting date.

#### ***Short-term 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 plans 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.

### 3.10 Revenue recognition

Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

- (i) Proceeds from divestment, net of direct expenses is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Direct expenses comprise carrying amounts of divestments and related cost directly attributed to divestments;
- (ii) Changes in fair value of financial assets measured at FVTPL;
- (iii) Interest income is recognised on an accrual basis except where the collection is contingent upon certain conditions being met, then such income is recognised when received;
- (iv) Fund management and performance fees for the provision of investment management services are recognised on an accrual basis;(v)Dividend income is recognised when the right to receive payment is established; and
- (vi) Distribution income from venture capital fund is recognised when right to receive payment is established.

### 3.11 Leases

The Group has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately.

#### **Policy applicable from 1 January 2019**

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

This policy is applied to contracts entered into, on or after 1 January 2019.

#### *As a lessee*

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Group uses the lessee's incremental borrowing rate as the discount rate.

The Group determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets and lease liabilities in the statement of financial position.

#### *Short-term leases and leases of low-value assets*

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including photocopier. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### **Policy applicable before 1 January 2019**

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

### 3.12 Finance costs

Finance costs comprise interest expense on borrowings and are recognised based on the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the amortised cost of the financial liability. In calculating interest expense, the effective interest rate is applied to the amortised cost of the liability.

### 3.13 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to 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.

Current tax assets and liabilities are offset only if certain criteria are met.

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; and
- temporary differences related to investments in subsidiaries and associates 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.

The measurement of deferred taxes 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, and reflects uncertainty related to income taxes, if any.

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

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary difference to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversal of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probably that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

### 3.14 New standards and interpretations not adopted

A number of new standards and interpretations and amendments to standards are effective for annual periods beginning after 1 January 2019 and earlier applications is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new IFRSs, interpretations and amendments to IFRSs are effective for annual periods beginning after 1 January 2019:

- *Amendments to References to Conceptual Framework in IFRS Standards*
- *Definition of a Business* (Amendments to IFRS 3)
- *Definition of Material* (Amendments to IAS 1 and IAS 8)
- *IFRS 17 Insurance Contracts*

Management anticipates that the adoption of the new standards and interpretations will not have a material impact on the financial statements of the Group in the period of their initial adoption.

**4 Property, plant and equipment**

<b>Group</b>	<b>Freehold land US\$'000</b>	<b>Buildings US\$'000</b>	<b>Leasehold improvements US\$'000</b>	<b>Furniture, fittings and equipment US\$'000</b>	<b>Motor vehicles US\$'000</b>	<b>Total US\$'000</b>
<b>Cost</b>						
At 1 January 2018	147	260	1,091	1,351	–	2,849
Additions	–	–	17	98	92	207
Disposals	–	–	(55)	(7)	–	(62)
At 31 December 2018	147	260	1,053	1,442	92	2,994
Additions	–	–	–	171	–	171
Disposals	(147)	(260)	–	(354)	–	(761)
At 31 December 2019	–	–	1,053	1,259	92	2,404
<b>Accumulated depreciation</b>						
At 1 January 2018	–	163	659	1,280	–	2,102
Depreciation for the year	–	9	185	64	13	271
Disposals	–	–	(36)	(2)	–	(38)
At 31 December 2018	–	172	808	1,342	13	2,335
Depreciation for the year	–	6	167	116	18	307
Disposals	–	(178)	–	(352)	–	(530)
At 31 December 2019	–	–	975	1,106	31	2,112
<b>Carrying amounts</b>						
At 1 January 2018	147	97	432	71	–	747
At 31 December 2018	147	88	245	100	79	659
At 31 December 2019	–	–	78	153	61	292

FS27

## 5 Subsidiaries

	<b>Company</b>	
	<b>2019</b>	<b>2018</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Equity investments at cost	715,813	595,670
Impairment losses	(38,889)	(71,293)
	<b>676,924</b>	<b>524,377</b>

Details of the subsidiaries are as follows:

<b>Name of subsidiaries</b>	<b>Principal place of business</b>	<b>Ownership interests</b>	
		<b>2019</b>	<b>2018</b>
		<b>%</b>	<b>%</b>
Cresciendo Investments Limited	Mauritius	64.6	64.6
Vertex Master Fund I Pte. Ltd. and its subsidiaries:	Singapore	100	100
- Vertex Co-Investment Fund Pte. Ltd.	Singapore	100	100
- Vertex Fund of Funds Pte. Ltd. and its subsidiary:	Singapore	100	100
- Vertex Equity Pte. Ltd.	Singapore	100	100
- Vertex Global HC Fund (C.I.) Ltd	Cayman Islands	51.6	51.6
- Vertex Global HC Fund I Pte. Ltd.	Singapore	89.9	89.9
- Vertex Global HC Management Pte. Ltd.	Singapore	100	100
- Vertex Asia Fund (Singapore) Pte. Ltd.	Singapore	100	100
- Vertex SEA Fund I Pte. Ltd.	Singapore	100	100
- Global HC GP Ltd	Cayman Islands	100	100
Vertex Master Fund (SG) II LP <sup>1</sup> and its subsidiary:	Singapore	75.3	-
- Vertex Master Fund II Pte. Ltd. and its subsidiary:	Singapore	75.3	100
- Vertex Global HC Fund II Pte. Ltd	Singapore	75.3	100
Vertex Fund of Funds (II) Pte. Ltd. <sup>2</sup>	Singapore	100	-
Vertex Asia Fund Pte. Ltd.	Singapore	100	100
Vertex Investment International (III) Inc and its subsidiary:	British Virgin Islands	100	100
- Vertex International Partners Inc.	British Virgin Islands	100	100
Vertex Technology Fund (III) Ltd	Singapore	100	100
Vertex Asia Investments Pte. Ltd.	Singapore	100	100
Vertex Asia Growth Ltd and its subsidiaries:	Cayman Islands	100	100
- Vertex China Capital Limited <sup>3</sup>	Hong Kong	100	100
- Vertex Asia Growth (Fund I) Ltd	Cayman Islands	100	100

Name of subsidiaries	Principal place of business	Ownership interests	
		2019 %	2018 %
Vertex Venture Management Pte. Ltd. and its subsidiary:	Singapore	100	100
- Vertex India Venture Advisory Private Limited	India	100	100
Vickers Capital Pte. Ltd. <sup>4</sup> and its subsidiaries:	Singapore	100	100
- Vertex Management (II) Pte Ltd	Singapore	100	100
- Vertex Management Inc.	United States of America	100	100
- Vertex Israel II Management Ltd and its subsidiaries:	Israel	51	51
- Novadent Ltd.	Israel	51	51
- Vertex III Management (C.I.) Ltd	Cayman Islands	51	51

<sup>1</sup> Vertex Master Fund (SG) II LP was registered on 20 February 2019.

<sup>2</sup> Vertex Fund of Funds (II) Pte. Ltd. was incorporated on 21 November 2019.

<sup>3</sup> Vertex China Capital Limited is in the process of being de-registered.

<sup>4</sup> Vickers Capital Limited was converted to a private company, Vickers Capital Pte. Ltd. on 23 January 2019.

### ***Impairment loss***

The carrying value of investment in subsidiaries is tested for impairment whenever there is any objective evidence or indication that the investments may be impaired. This determination requires significant judgement. In estimating the recoverable amount of the investments, the Company evaluates, amongst other factors, the future profitability of the subsidiaries, their financial health and near-term business outlook, including factors such as industry and sector performance, changes in technology, and operational and financing cash flows.

The estimates of the recoverable amount of the investment in subsidiaries were based on their fair value less cost to sell of the underlying net assets. Based on management's assessment, net reversal of impairment loss of US\$32,404,000 (2018: net impairment loss of US\$36,551,000) was recognised in the Company's profit or loss to reflect the carrying amount of the underlying net assets.

## **6 Associates**

	Group	
	2019 US\$'000	2018 US\$'000
Investment in associates	484,856	297,618

At the reporting date, the Group assessed the recoverable amount of its investment in associates with continued operating losses. Based on management's assessment, no impairment loss (2018: US\$Nil) was recognised in the profit or loss of the Group. The estimates of the recoverable amount of the relevant investment in associates were based on their fair values less cost to sell as recommended by its fund manager, Vertex Management (II) Pte Ltd and Vertex Venture Management Pte. Ltd.

Details of the associates are as follows:

Name of associates	Principal activities	Principal place of business	Ownership interests	
			2019 %	2018 %
<b><i>Held by Vertex Investment International (III) Inc.</i></b>				
Vertex Israel II (C.I.) Fund L.P.	Investment holding	Cayman Islands	37.9	37.9
Vertex III (C.I.) Fund L.P.	Investment holding	Cayman Islands	23.7	23.7
<b><i>Held by Vertex Master Fund I Pte. Ltd.</i></b>				
Vertex IV (C.I.) Fund L.P.	Investment holding	Cayman Islands	41.6	41.6
Vertex Ventures US Fund I L.P.	Investment holding	USA	71.1 <sup>#</sup>	71.1 <sup>#</sup>
Vertex Ventures China III, L.P.	Investment holding	Cayman Islands	49.0	49.0
Vertex Ventures SEA III, L.P. and its subsidiary:	Investment holding	Cayman Islands	38.1	38.1
- Vertex Ventures SEA Fund III Pte. Ltd.	Investment holding	Singapore	38.1	38.1
<b><i>Held by Vertex Master Fund II Pte. Ltd.</i></b>				
Vertex Growth (SG) L.P. and its subsidiary	Investment holding	Singapore	49.3	78.4
- Vertex Growth Fund Pte. Ltd.			49.3	78.4
Vertex Israel Opportunity Fund L.P.	Investment holding	Cayman Islands	27.3	49.5
Vertex V (C.I.) Fund L.P.	Investment holding	Cayman Islands	41.4	46.7
Vertex Ventures US Fund II L.P. <sup>1</sup>	Investment holding	USA	71.0 <sup>*</sup>	—
Vertex Ventures China IV L.P. <sup>2</sup>	Investment holding	Cayman Islands	40.7	—

1 Vertex Ventures US Fund II LP commenced operations on 1 February 2019.

2 Vertex Ventures China IV L.P. commenced operations on 30 April 2019.

<sup>#</sup> Vertex Ventures US Fund I L.P. ("VVUS Fund") is managed by the General Partner ("GP") of VVUS Fund, per the management agreement between the GP and VVUS Fund. The Group does not have control via voting rights in VVUS Fund and the GP.

<sup>\*</sup> Vertex Ventures US Fund II L.P. ("VVUS Fund II") is managed by the General Partner ("GP") of VVUS Fund II, per the management agreement between the GP and VVUS Fund II. The Group does not have control via voting rights in VVUS Fund II and the GP.

The following summarises the financial information of each of the Group's associates based on their respective (consolidated) financial statements prepared in accordance with IFRS and modified for differences in the Group's accounting policies. The table also analyses, in aggregate, the carrying amount and share of profit and other comprehensive income of the remaining individually immaterial associates.

	Vertex Israel II (C.I.) Fund L.P. US\$'000	Vertex III (C.I.) Fund L.P. US\$'000	Vertex IV (C.I.) Fund L.P. US\$'000	Vertex Ventures US Fund I L.P. US\$'000	Vertex Ventures China III, L.P. US\$'000	Vertex Ventures SEA III, L.P. and its subsidiary US\$'000	Vertex Growth (SG) L.P. and its subsidiary US\$'000	Vertex Israel Opportunity Fund L.P. US\$'000	Vertex V (C.I.) Fund L.P. US\$'000	Vertex Ventures US Fund II L.P. US\$'000	Vertex Ventures China IV L.P. US\$'000	Total US\$'000
<b>31 December 2019</b>												
Revenue	–	693	43,507	13,409	7,155	1,952	–	943	–	62	–	–
(Loss)/profit from continuing operations	–	(631)	64,928	39,049	54,944	26,738	(7,456)	1,274	25,665	6,526	(5,710)	–
OCI	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total comprehensive income</b>	–	(631)	64,928	39,049	54,944	26,738	(7,456)	1,274	25,665	6,526	(5,710)	–
Attributable to investee's shareholders	–	(631)	64,928	39,049	54,944	26,738	(7,456)	1,274	25,665	6,526	(5,710)	–
Non-current assets	–	802	144,658	126,489	312,051	162,935	50,627	15,708	78,210	43,647	56,603	–
Current assets	–	401	14,856	11,195	2,362	5,976	1,908	423	3,723	3,572	6,160	–
Current liabilities	–	(25)	(55)	–	(17)	(957)	(194)	(18)	(44)	–	(1,453)	–
<b>Net assets</b>	–	1,178	159,459	137,684	314,396	167,954	52,341	16,113	81,889	47,219	61,310	–
Attributable to investee's shareholders	–	1,178	159,459	137,684	314,396	167,954	52,341	16,113	81,889	47,219	61,310	–
<b>Group's interest in net assets of investee at beginning of the year</b>	–	3,020	54,774	59,103	119,535	40,937	3,999	2,675	13,575	–	–	297,618
Group's share of:												
- profit/(loss) from continuing operations	178	(118)	21,630	32,108	27,028	10,186	(3,729)	301	8,959	3,620	(2,451)	97,712
- OCI	–	–	–	–	–	–	–	–	–	–	–	–
- total comprehensive income	178	(118)	21,630	32,108	27,028	10,186	(3,729)	301	8,959	3,620	(2,451)	97,712
Group's contribution during the year	–	–	3,600	13,500	14,805	14,400	25,387	1,350	9,600	29,000	27,402	139,044
Group's distribution during the year	(178)	(2,748)	(23,731)	(13,940)	(7,380)	(1,541)	–	–	–	–	–	(49,518)
<b>Carrying amount of interest in investee at end of the year</b>	–	154	56,273	90,771	153,988	63,982	25,657	4,326	32,134	32,620	24,951	484,856

*Vertex Venture Holdings Ltd and its subsidiaries*  
*Financial statements*  
*Year ended 31 December 2019*

	Vertex Israel II (C.I.) Fund L.P. US\$'000	Vertex III (C.I.) Fund L.P. US\$'000	Vertex IV (C.I.) Fund L.P. US\$'000	Vertex Ventures US Fund I L.P. US\$'000	Vertex Ventures China III, L.P. US\$'000	Vertex Ventures SEA III, L.P. and its subsidiary US\$'000	Vertex Growth (SG) L.P. and its subsidiary US\$'000	Vertex Israel Opportunity Fund L.P. US\$'000	Vertex V (C.I.) Fund L.P. US\$'000	Total US\$'000
<b>31 December 2018</b>										
Revenue	587	20,105	209	–	54,074	2,783	–	–	–	
Profit/(loss) from continuing operations	49	10,748	10,743	(1,664)	52,560	32,805	–	(152)	(3,090)	
OCI	–	–	–	–	–	–	–	–	–	
<b>Total comprehensive income</b>	49	10,748	10,743	(1,664)	52,560	32,805	–	(152)	(3,090)	
Attributable to investee's shareholders	49	10,748	10,743	(1,664)	52,560	32,805	–	(152)	(3,090)	
Non-current assets	–	2,481	132,609	74,507	241,529	103,645	–	4,250	18,886	
Current assets	–	13,858	10,338	793	5,279	8,025	4,022	6	10,330	
Current liabilities	–	(42)	(54)	–	(2,723)	(4,210)	(4,022)	(1,658)	(200)	
<b>Net assets</b>	–	16,297	142,893	75,300	244,085	107,460	–	2,598	29,016	
Attributable to investee's shareholders	–	16,297	142,893	75,300	244,085	107,460	–	2,598	29,016	
<b>Group's interest in net assets of investee at beginning of the year</b>	480	8,883	35,370	45,376	90,269	8,108	–	–	–	188,486
Group's share of:										
- (loss)/profit from continuing operations	(139)	(2,037)	2,604	(1,273)	25,731	12,497	–	(75)	(1,425)	35,883
- OCI	–	–	–	–	–	–	–	–	–	–
- total comprehensive income	(139)	(2,037)	2,604	(1,273)	25,731	12,497	–	(75)	(1,425)	35,883
Group's contribution during the year	–	–	16,800	15,000	28,160	22,000	3,999	2,750	15,000	103,709
Group's distribution during the year	(341)	(3,826)	–	–	(24,625)	(1,668)	–	–	–	(30,460)
<b>Carrying amount of interest in investee at end of the year</b>	–	3,020	54,774	59,103	119,535	40,937	3,999	2,675	13,575	297,618

FS32

## 7 Investments

	Group		Company	
	2019 US\$'000	2018 US\$'000	2019 US\$'000	2018 US\$'000
<b>Non-trading investments mandatorily at FVTPL</b>				
Quoted equity securities	262,802	21,741	–	–
Unquoted equity securities	511,031	625,946	258	258
Unquoted debt securities	3,286	3,638	–	–
Venture funds	138,489	129,569	–	–
	915,608	780,894	258	258

## 8 Other receivables and advances

	Group	
	2019 US\$'000	2018 US\$'000
Advances to employees	27	19
Other receivables	2,894	2,790
	2,921	2,809

Other receivables are unsecured, interest-free and repayable within 2 years (2018: 2 years).

## 9 Trade and other receivables

	Group		Company	
	2019 US\$'000	2018 US\$'000	2019 US\$'000	2018 US\$'000
Trade receivables	3,963	7,759	–	–
Deposits	488	370	–	2
Tax recoverable	384	553	–	–
Amounts due from subsidiaries (non-trade)	–	–	25,016	53,277
Other receivables	265	585	17	2
	5,100	9,267	25,033	53,281
Prepayments	193	183	–	–
	5,293	9,450	25,033	53,281

Non-trade amounts due from subsidiaries are unsecured, interest-free and repayable on demand. The Group's and the Company's exposure to credit and foreign currency risks, and impairment losses related to trade and other receivables are disclosed in Note 25.

## 10 Cash and cash equivalents

	Group		Company	
	2019 US\$'000	2018 US\$'000	2019 US\$'000	2018 US\$'000
Cash at bank and in hand	39,784	32,064	9,786	7,217
Fixed deposits	45,181	85,451	7,493	60,080
	84,965	117,515	17,279	67,297

Cash and bank balances of approximately US\$654,000 (2018: US\$816,000) are held in countries which operate foreign exchange control. As at the reporting date, the weighted average effective interest rate per annum relating to fixed deposits for the Group and the Company ranges from 1.42% to 1.97% (2018: 2.16% to 2.83%). Fixed deposits are repriced every 1 to 3 months (2018: 1 to 3 months).

## 11 Share capital

	Ordinary shares	Class A USD redeemable preference shares	Class A SGD redeemable preference shares
	No. of shares	No. of shares	No. of shares
<b>Company</b>			
In issue at 1 January and 31 December 2018	1,400,000,000	297,736	2,410,715
Issue of redeemable preference shares	–	500,000	–
In issue at 31 December 2019	1,400,000,000	797,736	2,410,715

All issued shares are fully paid, with no par value.

### *Ordinary shares*

The holder of the ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

### *Redeemable preference shares*

The holder of Class A redeemable preferred shares (Class A RPS) is entitled to receive dividends and the RPS are redeemable, in full or part, at any time at the option of the Company. The RPS cannot be re-issued after redemption. The holders of RPS carry the right to vote pari passu with ordinary shares (except on matters affecting the rights of the respective categories of shares) at any general meeting of the Company. Class A RPS will receive dividends in accordance with the profit distribution structure set out in the Constitution.

In 2019, the Company issued 500,000 Class A RPS at the issue price of US\$100.00 per share.

Upon winding up of the Company, the RPS carries the following rights:

- (i) the right to return of capital paid and Class A RPS will be redeemed in preference to holders of the ordinary shares; and
- (ii) the right, after payment of dividends declared but unpaid at the commencement of the winding up, to share in surplus assets of the Company.

***Capital management***

The Group defines capital as share capital and retained earnings.

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital base to support its business and maximise shareholders value. The Group has determined that it is in a sound capital position given its capital and resources available. The Group monitors the capital requirements to ensure that it is able to support its existing business as well as new investment opportunities that may arise.

There were no changes in the Group's approach to capital management during the year. The Company and its subsidiaries are not subject to externally imposed capital requirements.

***Realised and unrealised gain/(loss) from non-trading investments mandatorily at FVTPL***

As part of the Group's capital management process, in addition to the relevant laws and regulations governing dividend declaration, the Group also monitors the amount of realised and unrealised retained earnings to safeguard the Group's ability to declare dividends. The following table presents changes to the Group's realised and unrealised retained earnings:

	<b>Unrealised US\$'000</b>	<b>Realised US\$'000</b>	<b>Total US\$'000</b>
<b>At 1 January 2018</b>	401,946	251,902	653,848
Loss for the year excluding net gain/loss from investments at FVTPL	–	(20,751)	(20,751)
Net gain from subsidiaries' investments at FVTPL	36,981	14,615	51,596
Net gain from associates' investments at FVTPL	54,524	–	54,524
Realisation of net gain from subsidiaries' investments at FVTPL	(3,092)	3,092	–
Realisation of net gain from associates' investments at FVTPL	(32,235)	32,235	–
	56,178	29,191	85,369
Interim dividend declared	–	(13,319)	(13,319)
<b>At 31 December 2018</b>	<b>458,124</b>	<b>267,774</b>	<b>725,898</b>

	<b>Unrealised US\$'000</b>	<b>Realised US\$'000</b>	<b>Total US\$'000</b>
<b>At 1 January 2019</b>	458,124	267,774	725,898
Loss for the year excluding net gain/loss from investments at FVTPL	–	(23,816)	(23,816)
Net gain from subsidiaries' investments at FVTPL	119,738	3,031	122,769
Net gain from associates' investments at FVTPL	89,511	–	89,511
Realisation of net gain from subsidiaries' investments at FVTPL	(1,206)	1,206	–
Realisation of net gain from associates' investments at FVTPL	(6,885)	6,885	–
Accrued carried interest on gain on subsidiary's investment	(9,590)	9,590	–
	191,568	(3,104)	188,464
Interim dividend declared	–	(8,757)	(8,757)
<b>At 31 December 2019</b>	<b>649,692</b>	<b>255,913</b>	<b>905,605</b>

The unrealised retained earnings relate to accumulated fair value changes of non-trading investments mandatorily at FVTPL held at the reporting date. All other items of profits/(losses) for the year are categorised as realised.

#### **Dividends**

The following exempt (one-tier) dividends were declared by the Group and Company:

#### ***Payable by the Company to owners of the Company***

	<b>Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Tax exempt (one-tier) interim dividend of \$0.006254 per share declared in 2019 for the year ended 31 December 2018 (2018: US\$0.009514 per share declared in 2018 for the year ended 31 December 2017)	8,757	13,319

The dividend to immediate holding company was paid on 30 June 2019 (2018: 31 March 2019).

#### ***Paid by a subsidiary to non-controlling interests***

	<b>Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Tax exempt (one-tier) dividend for 2019 of US\$1,114 (2018: US\$1,853) per share	546	908

## 12 Reserves

### *Merger reserve*

The merger reserve arises from acquisition of subsidiaries under common control and the amount represents the differences between the consideration paid and the capital of the respective acquirees.

### *Foreign currency translation reserve*

The foreign currency translation reserve comprises:

- (i) 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; and
- (ii) the exchange differences on monetary items which form part of the Group's net investment in the foreign operation, provided certain conditions are met.

## 13 Redeemable preference shares

	<b>2019</b>	
	<b>Carrying amount \$'000</b>	<b>Face value \$'000</b>
Redeemable preference shares	25,700	25,700

The holder of Class B redeemable preferred shares (Class B RPS) is entitled to receive preference dividend at a specified rate for that calendar year and the Class B RPS are redeemable, in full or part, at any time at the option of the Company. On 19 January 2026, the Company shall redeem all the Class B RPS.

The RPS cannot be re-issued after redemption. The holders of Class B RPS carry the right to vote *pari passu* with ordinary shares (except on matters affecting the rights of the respective categories of shares) at any general meeting of the Company. Class B RPS will receive preference dividends payable annually out of profits of the Company as set out in the Constitution.

In 2019, the Company issued 257,000 Class B RPS at the issue price of US\$100.00 per share.

Upon winding up of the Company, the RPS carries the following rights:

- (i) the right to return of capital paid and Class B RPS will be redeemed in preference to holders of the Class A RPS and the ordinary shares; and
- (ii) the right, after payment of dividends declared but unpaid at the commencement of the winding up, to share in surplus assets of the Company.

## 14 Deferred tax

Deferred tax is attributable to the following:

<b>Group</b>	<b>At 1/1/2018 US\$'000</b>	<b>Recognised in profit or loss (Note 22) US\$'000</b>	<b>At 31/12/2018 US\$'000</b>	<b>Recognised in profit or loss (Note 22) US\$'000</b>	<b>At 31/12/2019 US\$'000</b>
<b>Deferred tax liabilities</b>					
Unremitted interest income	(285)	(159)	(444)	(48)	(492)
Other items	(751)	–	(751)	–	(751)
	<u>(1,036)</u>	<u>(159)</u>	<u>(1,195)</u>	<u>(48)</u>	<u>(1,243)</u>
<b>Deferred tax assets</b>					
Other items	38	(38)	–	–	–
	<u>38</u>	<u>(38)</u>	<u>–</u>	<u>–</u>	<u>–</u>
<b>Company</b>					
<b>Deferred tax liability</b>					
Unremitted interest income	(285)	(159)	(444)	(48)	(492)
	<u>(285)</u>	<u>(159)</u>	<u>(444)</u>	<u>(48)</u>	<u>(492)</u>

The following items have not been included in the computation of deferred tax assets recognised:

	<b>Group</b>	
	<b>2019 US\$'000</b>	<b>2018 US\$'000</b>
Unutilised tax losses	–	52,205
	<u>–</u>	<u>52,205</u>

Deferred tax assets have not been recognised in respect of unutilised tax losses because it is not probable that future taxable profits will be available against which the Group can utilise the benefits.

## 15 Other long-term liabilities

	<b>Group</b>	
	<b>2019 US\$'000</b>	<b>2018 US\$'000</b>
Deposit received in advance	119	119
Amount due to a related company (non-trade)	1,146	1,146
	<u>1,265</u>	<u>1,265</u>

Deposit received relates to amount received in advance from an investee company prior to its liquidation. The receipt will be recognised as divestment proceeds upon completion of the liquidation which is expected to take more than a year.

Non-trade amount due to a related company is unsecured, interest-free and repayable after 2020.

## 16 Leases

The Group leases office premises. The leases typically run for a period of 5 years, with an option to renew the lease after that date. Lease payments are renegotiated every 5 years to reflect market rentals. Previously, these leases were classified as operating leases under IAS 17.

The Group leases photocopiers and certain office premises with contract terms of 1 to 3 years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

### Right-of-use assets

Information about leases for which the Group is a lessee is presented below.

	<b>Office premises 2019 US\$'000</b>
Balance at 1 January	2,966
Additions	108
Depreciation for the year	(738)
Balance at 31 December	2,336

	<b>2019 US\$'000</b>
<b>Lease liabilities</b>	
Non-current	1,624
Current	681
	2,305

### Amounts recognised in profit or loss

	<b>US\$'000</b>
<b>2019 – Lease under IFRS 16</b>	
Interest on lease liabilities	76
Expenses relating to short-term leases	379
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	3
	3

### 2018 – Operating leases under IAS 17

Lease expense	1,099
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### Amounts recognised in statement of cash flows

	<b>2019 US\$'000</b>
Total cash outflow for leases	737

## 17 Provisions

<b>Group</b>	<b>Performance incentives US\$'000</b>	<b>Restoration costs US\$'000</b>	<b>Unutilised leave balance US\$'000</b>	<b>Total US\$'000</b>
<b>2019</b>				
At 1 January	26,906	–	384	27,290
Provision made	8,268	108	86	8,462
Provision utilised	(12,185)	–	(172)	(12,357)
At 31 December	<u>22,989</u>	<u>108</u>	<u>298</u>	<u>23,395</u>
Non-current	22,618	108	–	22,726
Current	371	–	298	669
	<u>22,989</u>	<u>108</u>	<u>298</u>	<u>23,395</u>
<b>2018</b>				
At 1 January	26,713	–	355	27,068
Provision made	2,337	–	29	2,366
Provision utilised	(2,144)	–	–	(2,144)
At 31 December	<u>26,906</u>	<u>–</u>	<u>384</u>	<u>27,290</u>
Non-current	26,764	–	–	26,764
Current	142	–	384	526
	<u>26,906</u>	<u>–</u>	<u>384</u>	<u>27,290</u>

## 18 Trade and other payables

	<b>Group</b>		<b>Company</b>	
	<b>2019 US\$'000</b>	<b>2018 US\$'000</b>	<b>2019 US\$'000</b>	<b>2018 US\$'000</b>
Trade payables	179	178	–	–
Accrued expenses	1,210	976	769	569
Accrued incentives	4,624	4,475	–	–
Amounts due to subsidiaries (non-trade)	–	–	43,792	57,087
Dividend to immediate holding company	1,199	26,802	1,199	26,802
Other payables	18,669	13,409	42	42
	<u>25,881</u>	<u>45,840</u>	<u>45,802</u>	<u>84,500</u>

Accrued incentives relates to staff incentives which are computed based on an approved incentive plan.

Non-trade amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

The Group's and the Company's exposure to liquidity and foreign currency risks related to trade and other payables are disclosed in Note 25.

## 19 Revenue

	<b>Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Proceeds from divestments	18,776	46,335
Direct expenses	(15,745)	(31,720)
Gain on divestment of investments (net)	3,031	14,615
Distribution income from venture capital funds	1,125	11,708
Interest income from bank and other deposits	2,815	3,892
Fund management and performance fees	12,913	7,679
	19,884	37,894

### ***Realised and unrealised gain/(loss) from non-trading investments mandatorily at FVTPL***

As part of the Group's capital management process, in addition to the relevant laws and regulations governing dividend declaration, the Group also monitors the amount of realised and unrealised retained earnings to safeguard the Group's ability to declare dividends (refer to Note 11).

The Group defines realised and unrealised net gains/losses from non-trading investments mandatorily at FVTPL as follows:

- Realised net gain/(loss) represents the difference between the initial carrying amounts of investments disposed during the period and the disposal amount. The initial carrying amount of an investment is determined using the weighted-average method.
- Unrealised net gain/(loss) comprises current period changes in the fair value of investments held at the reporting date and from reversal of prior period's cumulative unrealised gain/loss realised through disposals in the current reporting period.

## 20 Finance costs

	<b>Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Financial liabilities measured at amortised cost – interest expense</b>		
- Redeemable preference shares	1,199	–
- Lease liabilities	76	–
	1,275	–

## 21 Profit before tax

The following items have been included in arriving at profit before tax:

	<b>Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Included in other income:		
Foreign exchange gain	161	332
Gain on dilution of subsidiary	484	–
Gain on disposal of property, plant and equipment	2,073	–
	<hr/>	<hr/>
Included in staff costs:		
Contributions to defined contribution plans	(226)	(210)
	<hr/>	<hr/>
Included in other operating expenses:		
Depreciation of property, plant and equipment	(307)	(271)
Depreciation of right-of-use assets	(738)	–
Operating lease expenses	(382)	(1,099)
	<hr/>	<hr/>

## 22 Tax expense

	<b>Note</b>	<b>2019</b>	<b>2018</b>
		<b>US\$'000</b>	<b>US\$'000</b>
<b>Current tax expense</b>			
Current year		14,758	576
Under/(over) provided in prior years		172	(17)
		<hr/>	<hr/>
		14,930	559
<b>Deferred tax expense</b>			
Movements in temporary differences	14	48	197
<b>Tax expense</b>		<hr/>	<hr/>
		14,978	756

### *Reconciliation of effective tax rate*

Profit before tax	<hr/>	203,290	86,686
Tax using the Singapore tax rate at 17% (2018: 17%)		34,559	14,737
Effect of different tax rates in foreign jurisdiction		641	5,482
Effects of results of associates presented net of tax		(16,611)	(6,100)
Income not subject to tax		(5,532)	(273)
Non-deductible expenses		5,971	270
Recognition of tax effect of previously unrecognised tax losses		(8,875)	–
Effect of tax benefits not recognised		–	649
Losses not available for carry forward		6,189	2,811
Tax incentives*		(1,536)	(16,803)
Under/(over) provided in prior years		172	(17)
		<hr/>	<hr/>
		14,978	756

\* Certain subsidiaries have been granted Enhanced – Tier Fund Tax Incentives scheme under Section 13X of the Income Tax Act. Subject to certain terms and conditions laid down under the Enhanced – Tier Fund Tax Incentives scheme, income from qualifying activities is exempt from income tax.

## 23 Commitments

At the reporting date, the Group had the following outstanding commitments:

	<b>Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Investment commitments</b>		
Associates	377,029	545,136
Unquoted equity investments	22,760	13,490
Venture capital funds	16,179	23,358
	415,968	581,984
	415,968	581,984

The Group has uncalled capital commitments for the acquisitions of investments from its immediate holding company of approximately US\$281,223,000 (2018: US\$248,351,000).

The Company has uncalled capital commitments to its subsidiaries of approximately US\$669,931,132 (2018: US\$728,000,000).

The Group has lease commitments for rental of office premises. The commitments for future minimum lease payments under non-cancellable operating leases are as follows:

	<b>Group</b>
	<b>2018</b>
	<b>US\$'000</b>
Payable:	
Within 1 year	1,115
After 1 year but within 5 years	1,342
	2,457
	2,457

## 24 Related parties

For the purpose of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

***Related party transactions***

In addition to the information disclosed elsewhere in the financial statements, the significant transactions between the Group and its related parties are as follows:

	<b>Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Management fee received/receivable from associates	–	57
	–	57

***Key management personnel compensation***

Key management personnel of the Group and the Company are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. The directors are considered as key management personnel of the Company.

The key management personnel compensation included in staff costs is as follows:

	<b>Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Directors' fees	484	463
Short-term employee benefits	3,651	4,615
	4,135	5,078
	4,135	5,078

## **25 Financial instruments**

**Risk management objectives and policies**

***Overview***

The Group's principal businesses are in venture capital fund investment and venture capital fund management. It operates in Asia Pacific, US, Europe and Israel where investments are made and revenues are generated in various currencies. The Group invests mainly in equity securities of private companies in various industries, sectors and geographical location. Exposure to investment, credit, liquidity, foreign exchange and interest rate risks arises in the normal course of the Group's business. The Group's risk management approach is to minimise the potential adverse effects of these risk factors on the Group's financial performance.

The Group's major risks include but are not limited to the following:

***Investment risk***

The Group's investments include start-up or early stage of growth companies which involves substantial risks. These companies have little or no operating history, track records and resources, and established products. A significant length of time is required for the Group to realise these investments.

The venture capital investments which includes companies in technology sectors, mainly in the Internet/Mobile/Media/Social Networking, Technology, Clean-technology, Manufacturing and Electronics, Health-care, Services and Others, which are subject to rapid changes and technological advances. In addition, these investments may be concentrated on a limited number of companies, specific regions or industry sectors.

As the Group's investments are in unlisted investee companies, there may be limited avenues available to the Group to divest such investments. Some of the possible avenues to realise these unlisted investments are by way of an initial public offering, acquisition by a listed company or trade sale. However, there is no assurance that the Group will be able to realise its investments by way of an initial public offering, acquisition by a listed company or trade sale.

The Group mitigates its investment risks through stringent selection of investment opportunities and proper structuring of the investment transaction. The fund managers play a lead role in the investment origination process, developing close working relationships with the investee companies and providing guidance and assistance on the strategic and operational matters of the investee companies. Investment committees are established to review and approve all investment proposals.

The Group has a portfolio of listed investments arising from its investments in unlisted companies having achieved liquidity either through an initial public offering or through acquisition by a listed company. Share prices of these companies are subject to fluctuations due to volatility in the stock markets, market reactions to reported financial results, outlook of technology sector and industries of these investee companies.

The Group monitors daily changes in the share prices and news reported on the listed investments for divestment decision-making. In the divestment decision-making process, the Group also takes into account the trading window (when applicable) and trading volume of each listed security as well as analyst recommendations.

***Credit risk***

The Group's primary exposure to credit risk arises from its placement of excess cash. The Group monitors credit risk on an ongoing basis. Cash is placed with banks and financial institutions with good credit risk.

The maximum exposure to credit risk at the reporting date was as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Other receivables and advances	2,921	2,809	—	—
Trade and other receivables	5,100	9,267	25,033	53,281
	8,021	12,076	25,033	53,281
Cash and cash equivalents	84,965	117,515	17,279	67,297
	<u>92,986</u>	<u>129,591</u>	<u>42,312</u>	<u>120,578</u>

***Expected credit loss assessment***

The following table provides information about the exposure to credit risk and ECLs for trade and other receivables:

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Not past due	8,021	12,076	25,033	53,281

Based on historical default rates, the Group believes that no impairment allowance is necessary in respect of trade and other receivables not past due or past due but not impaired.

***Liquidity risk***

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group's primary sources of funding are mainly capital injection from immediate holding company and proceeds from divestments/return of capital as well as dividends received. The Group also has uncommitted banking facilities that are mainly used for bridging purposes.

The Group manages the liquidity structure of its assets, liabilities and commitments so that cash flows are appropriately balanced and the Group will always have sufficient liquidity to finance its operations and meet all funding obligations when due. Liquidity is managed on a daily basis.

The following are the contractual maturities of financial liabilities. Balances due after 1 year approximate their carrying amount as the impact of discounting is not significant.

	<b>Carrying amount</b>	<b>Contractual cash flows</b>	<b>Within 1 year</b>	<b>1 to 2 years</b>	<b>2 to 5 years</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Group</b>					
<b>2019</b>					
Trade and other payables	25,881	(25,881)	(25,881)	–	–
Lease liabilities	2,305	(2,403)	(737)	(766)	(900)
Redeemable preference shares	25,700	(38,267)	(2,513)	(2,513)	(33,241)
Other long-term liabilities	1,265	(1,265)	–	(1,265)	–
	55,151	(67,816)	(29,131)	(4,544)	(34,141)
<b>2018</b>					
Trade and other payables	45,840	(45,840)	(45,840)	–	–
Other long-term liabilities	1,265	(1,265)	–	–	(1,265)
	47,105	(47,105)	(45,840)	–	(1,265)

<b>Company</b>	<b>Carrying amount US\$'000</b>	<b>Contractual cash flows US\$'000</b>	<b>Within 1 year US\$'000</b>	<b>1 to 2 years US\$'000</b>	<b>2 to 5 years US\$'000</b>
<b>2019</b>					
Trade and other payables	45,802	(45,802)	(45,802)	–	–
Redeemable preference shares	25,700	(38,267)	(2,513)	(2,513)	(33,241)
	<u>71,502</u>	<u>(84,069)</u>	<u>(48,315)</u>	<u>(2,513)</u>	<u>(33,241)</u>
<b>2018</b>					
Trade and other payables	84,500	(84,500)	(84,500)	–	–

***Foreign currency risk***

The Group is exposed to foreign currency risk on investments, operating expenses and borrowings that are denominated in a currency other than its global trading currency which is the US dollar. The Group's venture capital fund investment activities are exposed to foreign currency risk at the Fund's level, where the investments made in various currencies are dependent on the currency of realisation of these investments. For a Fund's investment which is subsequently listed, the currency in which the investment is realised depends on the location of the exchange and the currency in which the investment is listed.

The Group does not hedge its foreign currency exposure as the nature of its business makes it difficult to forecast the timing and quantum related to the realisation of the investments as well as the currency in which the realisation would be made. Foreign currency exposure is regarded as an integral part of its investment risks and any gain or loss forms part of its investment returns.

The Group is also exposed to foreign currency fluctuations as the source of capital funding includes Euro, Hong Kong dollar, Taiwan dollar, Singapore dollar, Chinese yuan, Indian rupee, Swiss franc and British pound. Similar to the Fund's position, it is difficult for the Group to hedge against such foreign currency exposure as the timing and quantum of returns from the Funds are not predictable.

At the reporting date, the Group's exposures to foreign currencies were primarily as follows based on notional amounts:

<b>Group</b>	<b>Euro</b> US\$'000	<b>Hong Kong dollar</b> US\$'000	<b>Taiwan dollar</b> US\$'000	<b>Singapore dollar</b> US\$'000	<b>Chinese yuan</b> US\$'000	<b>Indian rupee</b> US\$'000	<b>Swiss franc</b> US\$'000	<b>British pound</b> US\$'000
<b>2019</b>								
<b>Financial assets</b>								
Investments	14,248	–	374	258	253,631	53,676	–	–
Cash and cash equivalents	–	–	9	1,649	83	562	–	–
Trade and other receivables	–	–	–	3,915	67	44	–	–
Other receivables and advances	–	33	–	1,587	1,274		–	–
<b>Financial liabilities</b>								
Trade and other payables	–	–	–	(12,795)	–	(40)	–	–
Lease liabilities	–	–	–	(1,731)			–	–
Other long-term liabilities	–	–	–	–	(1,146)		–	–
	<u>14,248</u>	<u>33</u>	<u>383</u>	<u>(7,117)</u>	<u>253,909</u>	<u>54,242</u>	<u>–</u>	<u>–</u>
<b>2018</b>								
<b>Financial assets</b>								
Investments	9,910	64,489	596	554	9,069	50,581	352	20,429
Cash and cash equivalents	–	–	5	4,135	241	570	–	–
Trade and other receivables	–	–	–	4,747	67	66	–	–
Other receivables and advances	–	33	–	1,484	1,273		–	–
<b>Financial liabilities</b>								
Trade and other payables	–	(5)	–	(11,524)	(631)	(80)	–	–
Other long-term liabilities	–	–	–		(1,146)		–	–
	<u>9,910</u>	<u>64,517</u>	<u>601</u>	<u>(604)</u>	<u>8,873</u>	<u>51,137</u>	<u>352</u>	<u>20,429</u>

At the reporting date, the Company's exposure to foreign currencies was as follows based on notional amounts:

<b>Company</b>	<b>Singapore dollar</b>	
	<b>2019</b> US\$'000	<b>2018</b> US\$'000
<b>Financial assets</b>		
Investments	258	258
Cash and cash equivalents	15	99
Trade and other receivables	–	2
	<u>273</u>	<u>359</u>
<b>Financial liabilities</b>		
Trade and other payables	<u>(271)</u>	<u>(59)</u>

*Sensitivity analysis*

A 10% strengthening of the US dollar against the following currencies at the reporting date would increase/(decrease) equity and profit or loss by the amounts shown below assuming that all other variables remain constant.

	<b>Group Profit or loss US\$'000</b>	<b>Company Profit or loss US\$'000</b>
<b>2019</b>		
Euro	(1,425)	—
Hong Kong dollar	(3)	—
Taiwan dollar	(38)	—
Singapore dollar	712	—
Chinese yuan	(25,391)	—
Indian rupee	(5,424)	—
	<hr/>	
<b>2018</b>		
Euro	(991)	—
Hong Kong dollar	(6,452)	—
Taiwan dollar	(60)	—
Singapore dollar	60	(30)
Chinese yuan	(887)	—
Indian rupee	(5,114)	—
Swiss franc	(35)	—
British pound	(2,043)	—
	<hr/>	

Similarly, a 10% weakening of the US dollar against the above currencies at the reporting date would have had the equal but opposite effect.

***Equity price risk***

As at 31 December 2019, the Group's total investments in quoted equity securities was US\$262,802,000 (2018: US\$21,741,000).

A 10% increase in the underlying quoted equity securities prices at the reporting date would increase equity by the amounts shown below assuming that all other variables remain constant.

	<b>Group</b>	
	<b>2019 US\$'000</b>	<b>2018 US\$'000</b>
Equity	26,280	2,174
	<hr/>	<hr/>

Similarly, a 10% decrease in the underlying quoted equity securities prices at the reporting date would have had the equal but opposite effect.

At the reporting date, the Company is not exposed to any equity price risk.

***Interest rate risk***

At the reporting date, the Group was not exposed to any significant interest rate risk.

***Valuation methodology applied by the Group***

The Group has an established control framework with respect to the measurement of fair values. This framework includes a valuation team to implement the investment valuation methodology approved by the investment committee. The valuation team also determines the valuation of investments and makes recommendation of impairment in the value of investments to be reviewed and approved by the Board of Directors of the respective investment companies.

The valuation team regularly reviews inputs and valuation adjustments and take into consideration the guidelines set out in the applicable investment valuation policy. If third party information, such as latest round of financing, is used to measure fair value then the valuation team assesses and documents the evidence obtained from the third parties to support the conclusion that the valuations are appropriately classified in the fair value hierarchy.

***Fair value hierarchy***

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included in 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).

	<b>Level 1</b> <b>US\$'000</b>	<b>Level 2</b> <b>US\$'000</b>	<b>Level 3</b> <b>US\$'000</b>	<b>Total</b> <b>US\$'000</b>
<b>Group</b>				
<b>2019</b>				
Investments mandatorily at FVTPL	262,802	495,621	157,185	915,608
<b>2018</b>				
Investments mandatorily at FVTPL	21,741	587,003	172,150	780,894
<b>Company</b>				
<b>2019</b>				
Investments mandatorily at FVTPL	–	258	–	258
<b>2018</b>				
Investments mandatorily at FVTPL	–	258	–	258

The following table presents the changes in Level 3 instruments:

<b>Group</b>	<b>Investments mandatorily held at FVTPL – Non-trading</b>	
	<b>2019</b>	<b>2018</b>
	<b>US\$'000</b>	<b>US\$'000</b>
At 1 January	172,150	169,452
Total gains or losses for the year recognised in profit or loss	(17,625)	7,379
Purchases	8,707	10,758
Transfer from Level 3 to Level 2	–	(14,000)
Transfer from Level 2 to Level 3	4,824	18,466
Settlements	(10,871)	(19,905)
At 31 December	157,185	172,150

### 2019

In 2019, the Group transferred unquoted equity securities from Level 2 to Level 3 of the fair value hierarchy as observable market data became unavailable.

### 2018

In 2018, the Group transferred unquoted equity securities from Level 3 to Level 2 of the fair value hierarchy as observable market data became available.

In 2018, the Group transferred unquoted equity securities from Level 2 to Level 3 of the fair value hierarchy as observable market data became unavailable.

### ***Impact of changes to key assumptions on Level 3 financial instruments***

An analysis of the effect of changing one or more inputs for the remaining financial assets mandatorily at FVTPL to reasonably possible alternative assumptions has not been presented as such an effect would not have resulted in a significant change to the fair value measurement of the Group's financial assets mandatorily at FVTPL.

### **Fair value of financial instruments**

Although management has employed its best judgement in the estimation of fair values, there is inevitably a significant element of subjectivity involved in the calculations. Therefore, the fair value estimates presented above are not necessarily indicative of the amounts the Group could have realised in a sale transaction.

The methodologies and assumptions used depend on the terms and risk characteristics of the various instruments and include the following:

### **Financial assets**

#### ***Investments***

The fair values of all quoted investments are determined by reference to their last quoted bid market price at the reporting date.

The fair values of direct unquoted venture capital investments are based on various factors that are broadly categorised as follows:

- (a) Fair values of companies that are identified for Initial Public Offering or near term liquidity are based on various factors including investment bankers' estimated valuation, average revenue multiple of comparable companies and the latest round of financing within a certain period.
- (b) Fair values of companies that are performing to plan are estimated to be equivalent to their costs or previous round of financing unless there are indications to suggest a higher valuation.
- (c) Fair values of investments in companies that are not meeting revenue or profits forecast, running out of cash in the near term and where business model is in doubt, are based on various factors which affect the financial and operating position of the companies, taking into consideration their present value of estimated cash flows.
- (d) Fair values of companies that have failed or are no longer in operation or are under liquidation are estimated to be nil.
- (e) Fair value of investment in venture capital funds is determined by using the estimated realisable value based on its net asset values.

#### **Other financial assets**

After taking into account the present value of other receivables and advances, the fair value of other receivables and advances as at the reporting dates approximates their book value. The fair value of all other financial assets approximates their book value in the consolidated statement of financial position due to relatively short term maturity of these financial assets.

#### **Financial liabilities**

After taking into account the present value of other long-term liabilities, the fair value of other long-term liabilities as at the reporting dates approximates their book value. The fair value of all other financial liabilities approximates their book value in the consolidated statement of financial position due to relatively short term maturity of these financial liabilities.

## **26 Subsequent events**

On 23 January 2020, the Company issued 366,380 Class A RPS at the issue price of US\$100.00 per share.

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