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NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF NOTES OR PERPETUAL SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE NOTES AND PERPETUAL SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE NOTES OR PERPETUAL SECURITIES ARE BEING OFFERED OR SOLD ONLY OUTSIDE THE UNITED STATES TO CERTAIN PERSONS IN OFFSHORE TRANSACTIONS IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT AND THE LAWS OF THE JURISDICTION IN WHICH THOSE OFFERS AND SALES OCCUR.

THE FOLLOWING OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. 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.

IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE NOTES OR PERPETUAL SECURITIES DESCRIBED IN THE ATTACHED DOCUMENT.

Confirmation of your Representation: In order to be eligible to view this offering circular or make an investment decision with respect to the notes or perpetual securities, investors must not be U.S. persons (within the meaning of Regulation S under the Securities Act). This offering circular is being sent at your request and by accepting the e-mail and accessing this offering circular, you shall be deemed to have represented to us that (1) 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 any notes or perpetual securities described in the attached document, you will be doing so pursuant to Regulation S under the Securities Act and (2) you consent to delivery of such offering circular and any amendments and supplements thereto by electronic transmission.

By accepting this document, if you are an investor in Singapore, you (A) represent and warrant that you are either an institutional investor as defined under Section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**), a relevant person as defined under Section 275(2) of the SFA or persons to whom an offer is being made, as referred to in Section 275(1A) of the SFA, and (B) agree to be bound by the limitations and restrictions described herein.

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

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and any of 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 such underwriter or such affiliate on behalf of Keppel Land Limited or Keppel Land Financial Services Pte. Ltd. in such jurisdiction.

The following offering circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of Keppel Land Limited, Keppel Land Financial Services Pte. Ltd., Australia and New Zealand Banking Group Limited, Credit Suisse (Singapore) Limited, DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch and Standard Chartered Bank or any person who controls Keppel Land Limited, Keppel Land Financial Services Pte. Ltd., Australia and New Zealand Banking Group Limited, Credit Suisse (Singapore) Limited, DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch or Standard Chartered Bank or any director, officer, employee or agent of them or affiliate of any such person 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 Australia and New Zealand Banking Group Limited, Credit Suisse (Singapore) Limited, DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch or Standard Chartered Bank.

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.



KEPPEL LAND LIMITED

(Incorporated with limited liability in Singapore)
(UEN/Company registration number: 189000001G)

KEPPEL LAND FINANCIAL SERVICES PTE. LTD.

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

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

**Multicurrency Medium Term Note Programme
unconditionally and irrevocably guaranteed by**

KEPPEL LAND LIMITED

(Incorporated with limited liability in Singapore)
(UEN/Company registration number: 189000001G)

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

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

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

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

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

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

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

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

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

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

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

Arrangers

DBS BANK LTD.

HSBC

STANDARD CHARTERED BANK

Dealers

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED

CREDIT SUISSE (SINGAPORE) LIMITED

DBS BANK LTD.

HSBC

STANDARD CHARTERED BANK

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CERTAIN DEFINED TERMS AND CONVENTIONS

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

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

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

SUPPLEMENTAL OFFERING CIRCULAR

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

FORWARD LOOKING STATEMENTS

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

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

OVERVIEW OF THE PROGRAMME

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

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

Issuers: Keppel Land Limited
Keppel Land Financial Services Pte. Ltd.

Guarantor (in respect of Notes or Perpetual Securities issued by KLFS): Keppel Land Limited

Description: Multicurrency Medium Term Note Programme

Arrangers: DBS Bank Ltd.
The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch
Standard Chartered Bank

Dealers: Australia and New Zealand Banking Group Limited
Credit Suisse (Singapore) Limited
DBS Bank Ltd.
The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch
Standard Chartered Bank

and any other Dealers appointed in accordance with the Programme Agreement.

Certain Restrictions: Each issue of Notes or Perpetual Securities denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “*Subscription and Sale*”) including the following restrictions applicable at the date of this Offering Circular.

Notes having a maturity of less than one year

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

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

Trustee:	HSBC Institutional Trust Services (Singapore) Limited
Principal Paying Agent:	The Hongkong and Shanghai Banking Corporation Limited
Registrar and Transfer Agent in respect of Registered Notes or Registered Perpetual Securities:	The Hongkong and Shanghai Banking Corporation Limited
CMU Lodging and Paying Agent:	The Hongkong and Shanghai Banking Corporation Limited
CDP Paying Agent:	The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch
Programme Size:	Up to U.S.\$3,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuers and the Guarantor may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Guarantee:	The Notes and Perpetual Securities issued by KLFS will be unconditionally and irrevocably guaranteed by the Guarantor in accordance with the Conditions of the Notes and the Conditions of the Perpetual Securities respectively.
Distribution:	Notes and Perpetual Securities may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis. Notes and Perpetual Securities will be issued in series (each a Series) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest or distributions, if any), the Notes or Perpetual Securities of each Series being intended to be interchangeable with all other Notes or Perpetual Securities of that Series. Each Series may be issued in tranches (each a Tranche) on the same or different issue dates. The specific dates of each Tranche of the Notes or Perpetual Securities (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest or distributions and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in the applicable Pricing Supplement.
Currencies:	Notes and Perpetual Securities may be denominated in euro, Sterling, U.S. dollars, Japanese yen, Renminbi, Singapore dollars and, subject to any applicable legal or regulatory restrictions, any other currency agreed between the relevant Issuer and the relevant Dealer.

Maturities:	Notes will have such maturities as may be agreed between the relevant Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Issuer or the relevant Specified Currency.
	Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date and the relevant Issuer shall only have the right to redeem or purchase them in accordance with the Conditions of the Perpetual Securities or as otherwise specified in the applicable Pricing Supplement.
Issue Price:	Notes and Perpetual Securities may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes and Perpetual Securities:	<p>The Notes will be issued in bearer form (Bearer Notes) or in registered form (Registered Notes) as described in “<i>Form of the Notes</i>”. Bearer Notes will not be exchangeable for Registered Notes and <i>vice versa</i>.</p> <p>The Perpetual Securities will be issued in bearer form (Bearer Perpetual Securities) or in registered form (Registered Perpetual Securities) as described in “<i>Form of the Perpetual Securities</i>”. Bearer Perpetual Securities will not be exchangeable for Registered Perpetual Securities and <i>vice versa</i>.</p>
Shareholding Covenant — Notes only:	So long as any Notes remain outstanding, KLL shall at all times retain a 100 per cent. direct and/or indirect shareholding interest in the entire issued share capital of KLFS.
Negative Pledge — Notes only:	The terms of the Notes will contain a negative pledge provision as further described in Condition 4.1 of the Notes.
Fixed Rate Notes and Fixed Rate Perpetual Securities:	Fixed interest will be payable on Fixed Rate Notes and fixed distributions will be payable on Fixed Rate Perpetual Securities on such date or dates as may be agreed between the relevant Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the relevant Issuer and the relevant Dealer.
Floating Rate Notes and Floating Rate Perpetual Securities:	<p>Floating Rate Notes will bear interest and Floating Rate Perpetual Securities will bear distributions at a rate determined:</p> <ul style="list-style-type: none"> (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or (b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or

- (c) on such other basis as may be agreed between the relevant Issuer and the relevant Dealer.

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

Index Linked Notes and Index Linked Perpetual Securities:

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

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

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

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

Dual Currency Notes and Dual Currency Perpetual Securities:

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

Zero Coupon Notes:

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

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

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

Optional Deferral of Distributions
— Perpetual Securities:

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

Cumulative Deferral of
Distributions — Perpetual
Securities:

In the case of Perpetual Securities, the applicable Pricing Supplement will specify whether the relevant Issuer may, at its sole discretion, elect to (in the circumstances set out in Condition 4.6(a) of the Perpetual Securities) further defer any Arrears of Distribution by complying with the notice requirement applicable to any deferral of an accrued distribution. The relevant Issuer is not subject to any limit as to the number of times distributions and Arrears of Distribution can or shall be deferred pursuant to Condition 4.6 of the Perpetual Securities except that Condition 4.6(d) of the Perpetual Securities shall be complied with until all outstanding Arrears of Distribution have been paid in full.

Non-Cumulative Deferral of
Distributions — Perpetual
Securities:

In the case of Perpetual Securities, if Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement, the relevant Issuer shall have no obligation to pay any distribution on any Distribution Payment Date and any failure to pay a distribution in whole or in part shall not constitute a default of the relevant Issuer in respect of such Perpetual Securities. Such unpaid distributions or part thereof are non-cumulative and do not accrue distribution. If Optional Distribution is set out in the applicable Pricing Supplement, the relevant Issuer may, at its sole discretion, and at any time, elect to pay an Optional Distribution (as defined in the *Conditions of the Perpetual Securities*) at any time by giving notice of such election to the Securityholders, the Trustee and the Principal Paying Agent not more than 20 nor less than five Business Days (or such other notice period as may be specified in the applicable Pricing Supplement) prior to the relevant payment date specified in such notice.

Restrictions in the case of a
Deferral — Perpetual Securities:

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

- (a) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on:

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

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

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

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

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

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

Redemption of Notes:

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

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

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

Redemption of Perpetual Securities:

The applicable Pricing Supplement will specify the basis for calculating the redemption amounts payable and indicate the circumstances in which the relevant Perpetual Securities may be redeemed prior to their stated maturity, whether due to taxation reasons, accounting reasons, at the option of the relevant Issuer, upon the occurrence of a Tax Deductibility Event (as defined in Condition 5 of the Perpetual Securities) or in the case of a minimal outstanding amount of Perpetual Securities.

Denomination of Notes and Perpetual Securities:

The Notes and the Perpetual Securities will be issued in such denominations as may be agreed between the relevant Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see “*Certain Restrictions — Notes having a maturity of less than one year*” above.

Taxation:

All payments in respect of any Notes and any Perpetual Securities will be made without any withholding or deduction for or on account of any present or future taxes, duties, assessments or government charges of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction as provided in Condition 8 of the Notes and Condition 7 of the Perpetual Securities, unless the withholding or deduction of taxes is required by law. In the event that any such deduction is made, the relevant Issuer or, as the case may be, the Guarantor will, save in certain limited circumstances provided in Condition 8 of the Notes and Condition 7 of the Perpetual Securities, be required to pay additional amounts as may be necessary in order that the net amounts received by the Noteholders (in the case of Notes) or Securityholders (in the case of Perpetual Securities) after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of any Notes or Perpetual Securities, as the case may be, in the absence of the withholding or deduction.

Events of Default (including Cross Default) — Notes:

The terms of the Notes will contain events of default (including a cross default provision) as further described in Condition 10 of the Notes.

Enforcement Events — Perpetual Securities:

There are no events of default under the Perpetual Securities. The terms of the Perpetual Securities will contain enforcement events as further described in Condition 9(b) of the Perpetual Securities.

Limited right to institute proceedings in relation to Perpetual Securities:

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

Proceedings for Winding-Up in relation to Perpetual Securities:

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

Status of the Notes and the Guarantee:

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

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

Status of the Senior Perpetual Securities and Senior Guarantee:

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

The payment obligations of the Guarantor under the Senior Guarantee in respect of the Senior Perpetual Securities constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and (save for certain obligations required to be preferred by law) shall at all times rank equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor from time to time outstanding.

Status of the Subordinated Perpetual Securities and the Subordinated Guarantee:

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

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

Subordination of Subordinated Perpetual Securities:

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

Set-off in relation to Subordinated Perpetual Securities:

Subject to applicable law, no Securityholder may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the relevant Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities, and each Securityholder shall, by virtue of its holding of any Subordinated Perpetual Securities or any coupons relating to them, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the relevant Issuer. Notwithstanding the preceding sentence, if any of the amounts owing to any Securityholder by the relevant Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities is discharged by set-off, such Securityholder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the relevant Issuer (or, in the event of its Winding-Up or administration, the liquidator or, as appropriate, administrator of the relevant Issuer) and, until such time as payment is made, shall hold such amount in trust for the relevant Issuer (or the liquidator or, as appropriate, administrator of the Issuer) and accordingly any such discharge shall be deemed not to have taken place.

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

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

Listing and admission to trading:	<p>Application has been made for permission to deal in, and for quotation of, any Notes or Perpetual Securities to be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes or Perpetual Securities have been admitted to the Official List of the SGX-ST. The Notes and Perpetual Securities may also be listed on such other or further stock exchange(s) as may be agreed between the relevant Issuer and the relevant Dealer in relation to each Series.</p> <p>If the application to the SGX-ST to list a particular Series of Notes or Perpetual Securities is approved, such Notes or Perpetual Securities listed on the SGX-ST will be traded on the SGX-ST in a minimum board lot size of at least S\$200,000 (or equivalent in any other currency).</p> <p>Unlisted Notes or unlisted Perpetual Securities may also be issued.</p> <p>The applicable Pricing Supplement will state whether or not the relevant Notes and Perpetual Securities are to be listed and, if so, on which stock exchange(s).</p>
Clearing Systems:	<p>Euroclear, Clearstream, Luxembourg, CDP, CMU Service and/or any other clearing system as specified in the applicable Pricing Supplement, see “Form of the Notes” (in the case of Notes) or “Form of the Perpetual Securities” (in the case of Perpetual Securities).</p>
Governing Law:	<p>The Notes and the Perpetual Securities, and (in the case of Notes and Perpetual Securities governed by English law) any non-contractual obligations arising out of or in connection with the Notes and the Perpetual Securities, will be governed by, and shall be construed in accordance with, either English law or Singapore law, as specified in the applicable Pricing Supplement.</p> <p>In relation to Subordinated Perpetual Securities governed by English law issued by KLL or KLFS, Condition 3(b) of the Subordinated Perpetual Securities and clauses 7.3(a) to 7.3(f) (inclusive) of the Trust Deed will be governed by, and shall be construed in accordance with, Singapore law.</p>
Selling Restrictions:	<p>There are restrictions on the offer, sale and transfer of the Notes and Perpetual Securities in the United States, the European Economic Area, the United Kingdom, Japan, Hong Kong and Singapore and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes or Perpetual Securities, see “Subscription and Sale”.</p>
United States Selling Restrictions:	<p>Regulation S, Category 2. TEFRA C or D/TEFRA not applicable, as specified in the applicable Pricing Supplement.</p>

RISK FACTORS

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

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

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

RISKS RELATING TO THE GROUP

Risks relating to the Group's business generally

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

Concerns over inflation, geopolitical issues, the availability and cost of credit, volatile oil prices, the rise in anti-globalisation sentiment and the ambiguity of the policies of the new US Administration have contributed to increased volatility for the global economy and the markets. The recent concerns about the outlook of China's economy, Britain's exit from the European Union and the uncertainty of the interest rate environment in the United States have impacted global equity markets and commodity prices. In addition, the slide in oil prices has resulted in slowed growth in many resource-dependent economies. There are still lingering concerns about sovereign debt in certain European nations which have continued to have a significant impact on the global capital markets associated not only with asset-backed securities but also with the global credit and financial markets as a whole. These events have resulted in a general fall in demand for real estate and in real estate prices in certain of the markets in which the Group operates, increased difficulty in borrowing from financial institutions for property related activities, and an increased risk of counterparty default. These events could adversely affect the Group's business, financial condition, prospects and results of operations, as a result of, among other things, decreases in valuations of its properties, decreases in the sales of, or prices for, residential or commercial developments, deferment in the construction of development projects, delays in the sales launches of the Group's residential projects in order to take advantage of future periods of more robust real estate demand, decreases in rental or occupancy rates for commercial properties, insolvency of contractors resulting in construction delays, insolvency of tenants in commercial properties, inability of customers to obtain credit to finance purchases of properties and/or customer insolvencies, the granting to the Group's customers of extensions of time to pay for their purchases of the Group's properties, defaults by customers on their purchases of the Group's properties, or failure of financial and other institutions, negatively impacting treasury operations including but not limited to counterparty risks relating to deposits, money market investments and treasury contracts, including those related to foreign exchange or interest rate transactions.

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

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

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

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

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

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

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

The real estate industry in the countries in which the Group operates is subject to significant government regulations, which may result in a reduction in the Group's income or an increase in the Group's costs (including, for example, changes in tenancy laws that limit the Group's recovery of certain property operating expenses or changes in environmental laws that require significant capital expenditure). In addition, regulatory approvals may be required for, among other things, land and title acquisition, development planning and design, construction and mortgage financing and refinancing. Such approvals may stipulate, among other things, maximum periods for the commencement of development of the land. Some of these countries may also restrict the level, percentage and manner of foreign ownership and investment in real estate or may impose additional costs on foreigners seeking to invest in or own properties. Such regulations are at times ambiguous and their interpretations and applications can be inconsistent or uncertain, making compliance with them challenging and can affect demand for the Group's properties, and may be potentially detrimental to the Group. For example, the municipal land registration office in Ho Chi Minh City, Vietnam, has temporarily ceased to accept the application for ownership certificates known as the "Certificate of Land Use Right and Ownership of House and Other Assets on the Land" to foreigners who purchased residential property after 10 December 2015 pending the finalisation of certain regulations and guidelines as to whether a certain piece of land is reserved for the protection of national defence and security.

If the Group fails to obtain the relevant approvals or comply with applicable laws and regulations, it may, among other things, be subject to penalties, have its licences or approvals revoked, or lose its right to own, develop or manage its properties and its businesses, any or all of which could have a material and adverse impact on its business, financial condition, prospects and results of operations.

Governments of the countries in which the Group operates may also seek to promote a stable and sustainable property market by monitoring the property market and adopting measures as and when they deem necessary. These governments may introduce new policies or amend or abolish existing policies at any time and these policies may have retroactive effect. These changes may have a material and adverse impact on the overall performance of the property markets in which the Group operates and thus affect the Group's business, financial condition, prospects and results of operations. For example, the Singapore

government has imposed stamp duty on sellers of residential properties which were sold within three years of acquisition. In addition, the Singapore government has introduced an additional buyer's stamp duty, over and above the existing buyer's stamp duty, to be paid by certain groups of people who acquire residential properties in Singapore. The stamp duty regime in Singapore has also been amended in 2017 such that additional conveyance duties (in addition to ordinary stamp duty for transfers of shares in companies) will be levied on the acquisition and disposal of equity interests in property holding entities whose primary tangible assets are residential properties in Singapore, even if the equity interests in such property holding entities are acquired or disposed of for *bona fide* business reasons.

The Monetary Authority of Singapore (the **MAS**) also imposes constraints on the types, quantum and tenure of loans for residential properties. These include limits on loan tenure and reduced loan-to-value ratios for property loans issued by banks subject to MAS regulation. In June 2013, the MAS introduced a total debt servicing ratio (**TDSR**) framework for property loans granted by financial institutions to individuals. The TDSR framework requires financial institutions to take into consideration borrowers' other outstanding debt obligations when granting property loans. Subject to certain exemptions, the TDSR threshold restricts the borrower's monthly total debt obligations to not more than 60% of his gross monthly income.

The Singapore government is likely to continue to monitor and regulate the Singapore property market. Should any new or more stringent measures be introduced to the property market, the Group's business, financial condition, prospects and results of operations may be adversely affected.

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

The Group's investments are currently concentrated in Asia.

The majority of the Group's business activities are currently concentrated in Asia, mainly in Singapore, China, Vietnam and Indonesia. As at 31 December 2016, approximately 43 per cent. of the Group's total assets were located in Singapore and approximately 57 per cent. of the Group's total assets were located overseas. As a result, the Group's revenue, prospects, results of operations and future growth depend, to a large extent, on the continued growth of the markets in Asia. Given this concentration of the Group's business activities, the specific laws, regulations, practices, economic and financial conditions, property market and other aspects of each of these countries and their corresponding micro-regions could have a significant impact on the business, financial condition, operations and results of the Group. In addition, future excesses in property supply over demand as a result of economic uncertainty, slower growth and increased interest rates (which reduces the ability of the Group's customers to finance real estate purchases and increases the Group's own costs of financing) may lead to further volatility in property prices and yields which could in turn adversely affect the Group's business, financial condition, prospects and results of operations.

For example, property values in Singapore have historically experienced cyclical patterns in which periods of price increases were often followed by periods of stagnating or declining prices. A substantial portion of the Group's earnings depends on the continued strength in the residential and commercial property markets in Singapore, which in turn are dependent on general economic and business conditions. Given that the economic conditions are likely to affect property values, the Group may potentially incur non-cash losses in its profit and loss account due to a reduction of asset values.

The Group is subject to risks inherent in joint venture structures and property interests.

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

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

Some of the Group's investments are in entities that are structured to achieve tax efficiency or transparency, such as real estate investment trusts (**REITs**). In the event that the intended tax efficiency or transparency is not achieved, whether as a result of a loss or revocation of a tax ruling by a competent tax authority, or a change in or in the interpretation of applicable tax laws or otherwise, this could reduce the return on the Group's investments, which in turn may materially and adversely affect its business, financial condition, prospects and results of operations. Some of the Group's investments are investments in entities which are listed or traded on a securities exchange. There can be no assurance that the market price of the securities of any entity the Group has invested in reflects accurately to any degree the underlying value of the business, or the assets owned by such entity, or that it will be able to realise the Group's investment in such entity at the then prevailing market price, or at all.

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

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

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

Myanmar is a country which has been subject to U.S. Department of Treasury's Office of Foreign Asset Control (OFAC) and other international sanctions. Keppel Land currently owns, operates and manages one hotel in Myanmar, namely Sedona Hotel Yangon, through its wholly-owned subsidiary. Keppel Land also owns a 40 per cent. stake in Junction City Tower, an office tower, in Myanmar. Sedona Hotel Yangon and Junction City Tower constitute less than 2% of the Group's consolidated assets as at 31 December 2016.

The Issuers and the Guarantor have undertaken to the Dealers that it will ensure that proceeds raised in connection with the issue of any Securities will not directly or indirectly be used for the purpose of financing or facilitating the activities of any person, entity, country or territory, that, at the time of such

funding or facilitation, is the target of any such sanctions. Further, as far as Keppel Land is aware, it has not been put on notice that its current operations in Myanmar are the target of, or breach any applicable U.S. or international sanctions. However, there can be no assurance that Keppel Land's operations in Myanmar are not actually the target of, or in breach of such sanctions and, if so, investors in the Securities may incur reputational or other risk.

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

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

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

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

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

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

As at 31 December 2016, the Group had approximately S\$4 billion of total borrowings comprising short-term borrowings of approximately S\$1.1 billion and long-term borrowings of approximately S\$2.9 billion, of which approximately 28 per cent. is due to be refinanced within the next 12 months. While the Group has unutilised banking facilities and available funds, there can be no assurance that the Group will be able to refinance indebtedness as and when such indebtedness becomes due on commercially reasonable terms or at all. Additionally, the Group's level of indebtedness means that a material portion of its expected cash flows may be set aside for the payment of interest on its other indebtedness, thereby reducing the funds available to the Group for use in its general business operations or to make payments on the Notes and Perpetual Securities. The Group's significant level of indebtedness, coupled with the current global economic climate, and its obligations with respect to the financial covenants in its loan facilities, may also result in accelerated demands for payment or calls by lenders on events of default. This may restrict the Group's ability to obtain additional financing for capital expenditure, acquisitions or general corporate purposes and may cause it to be particularly vulnerable in the current or any future general economic downturn. In addition, in the event the Group is required to restructure its borrowings or provide funding to any of its subsidiaries or associated companies to preserve long term shareholder value and optimise capital management structure within the Group, it may have to incur additional indebtedness or raise further capital through the issuance of new securities.

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

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

During the course of the Group's business, it may be required to provide guarantees including in the form of put and call options and corporate and bank guarantees to third parties in respect of its obligations. If a put or call option is exercised or a guarantee is called upon, this may require funds to be disbursed. Such disbursement of funds may also require the Group to source for additional financing and/or refinance existing debt obligations. There can be no assurance that additional financing to satisfy the Group's guarantees will be obtained on terms favourable to the Group.

The Group is exposed to foreign exchange risks.

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

The Group may be subject to restrictions in repatriation of funds.

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

The Group is exposed to general inflationary pressures.

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

The Group is subject to interest rate fluctuations.

As at 31 December 2016, the Group had consolidated borrowings of approximately S\$1.9 billion which bear floating interest rates. Consequently, the interest cost to be borne by the Group for its floating interest rate borrowings will be subject to fluctuations in interest rates. In addition, the Group is subject to market disruption clauses contained in its loan agreements with banks. Such clauses state that to the extent that the banks may face difficulties in raising funds in the interbank market or are paying materially

more for interbank deposits than the displayed screen rates, they may pass on the higher costs of funds to the borrower despite the margins agreed. Furthermore, although the Group may enter into some hedging transactions to partially mitigate the risk of interest rate fluctuations, there can be no assurance that its exposure to interest rate fluctuations will be adequately covered. As a result, the Group's business, financial condition, prospects and results of operations could potentially be adversely affected by interest rate fluctuations.

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

The Group's future performance depends largely on its ability to attract, train, retain and motivate high quality members of the senior management team and certain key senior personnel. The loss of these key employees may have a material adverse effect on the Group's financial condition and performance. If the Group is not able to retain, hire and train qualified and motivated key personnel, its business may be materially and adversely affected.

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

The outbreak of an infectious disease (such as Severe Acute Respiratory Syndrome, H5N1 avian flu, the human swine flu, also known as Influenza A (H1N1), Middle East respiratory syndrome coronavirus (MERS-CoV), Ebola and the Zika virus) in Asia and elsewhere, together with any resulting restrictions on travel and/or imposition of quarantine measures, could have a negative impact on the economy and business activities in the countries in which the Group operates. Any material change in the financial markets, Singapore economy or regional economies as a result of these events or developments may materially and adversely affect the Group's business, financial condition, prospects and results of operations. There can be no assurance that any precautionary measures taken against infectious diseases would be effective. A future outbreak of an infectious disease or any other serious public health concern in Asia could seriously harm the Group's business.

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

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

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

From time to time, the Group may be involved in disputes with various parties such as contractors, sub-contractors, consultants, suppliers, construction companies, purchasers and other partners involved in the development, operation, purchase and sale of its properties. These disputes may lead to legal and other proceedings, and may cause the Group to suffer additional costs and delays in the construction or completion of its properties. In addition, the Group may have disagreements with regulatory bodies in the course of its operations, which may subject it to administrative proceedings and unfavourable orders, directives or decrees that may result in financial losses and delay the construction or completion of its projects.

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

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

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

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

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

The Group has a holding company structure.

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

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

Risks relating to the Group's property development business

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

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

demands on its managerial and financial resources. Non-completion of such developments, or any of the Group's other developments, may have a material and adverse effect on the Group's business, financial condition, prospects and results of operations.

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

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

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

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

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

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

The Group maintains insurance, arranged through reputable insurance brokers and with reputable insurance companies that the Group believes is consistent with industry standards to protect against its operational risks. Where practicable, the Group also maintains certain terrorism, property damage, business interruption and general/public liability insurance in the various countries in which it operates. There are, however, certain types of risks (such as acts of God or war risks) that may be uninsurable or the cost of insurance may be prohibitive or not economically viable when compared to the risks. Should an uninsured loss or a loss in excess of insured limits occur, the Group could be required to pay compensation and/or lose capital invested in the affected property as well as anticipated future revenue for that property. There can be no assurance that material losses in excess of insurance proceeds will not occur in the future or that adequate insurance coverage will be available in the future on commercially reasonable terms or at commercially reasonable rates.

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

The Group's property development business has development projects in countries where the projects are dependent on obtaining the approvals of a variety of governmental authorities at different levels, receipt of which cannot be assured. These development projects have been and may in the future be subject to certain risks, including the cyclical nature of the property markets, changes in governmental regulations and economic policies, including, among other things, regulations and policies restricting construction of properties and buildings and related limitations on extensions of credit, building material shortages,

increases in labour and material costs, changes in general economic and credit conditions and the illiquidity of land and other property. There can be no assurance that required approvals will be obtained or that the cost of the Group's developments will not exceed projected costs.

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

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

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

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

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

The Group's residential and commercial development operations face competition from both international and local property developers with respect to factors such as location, facilities and supporting infrastructure, services and pricing. Intensified competition between property developers may result in increased costs for land acquisition, oversupply of properties and a slowdown in the approval process for new property developments by the relevant government authorities, all of which may adversely affect the Group's property development business. Some of these companies have significant financial resources, marketing and other capabilities. Domestic companies in the overseas markets have extensive knowledge of the local real estate markets and a longer operational track record in their respective domestic markets. International companies are able to capitalise on their overseas experience and greater financial resources to compete in the markets in which the Group has an overseas presence. Such competition may limit the Group's opportunity to invest in projects that could add value or at a higher rate of return. As a result, there can be no assurance that the Group's strategies will be effective or that it will be able to compete successfully in the future against its existing or potential competitors or that increased competition with respect to its activities may not have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

The Group also competes with other property developers to secure land sites and is subject to the availability of suitable land sites. Failure to secure suitable land sites for property development in a timely and cost effective manner would affect the revenue of the Group. In addition, the failure to secure potential and profitable new property projects would have an adverse effect on the Group's revenue and profitability.

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

Due to the immature nature of property law in some of the countries where the Group operates and the lack of a uniform title system in such countries, there is potential for disputes over the quality of titles purchased from previous landowners. For example, in Indonesia, the Group must negotiate each time it acquires land as a licence-holder with the actual owner of the land which may result in purchases of

property (and thereby the obtaining of title to the relevant land) being delayed or not proceeding in the event that negotiations are unsuccessful. Such delays in acquiring properties required for the Group's development activities could negatively affect its business, financial condition, prospects and results of operations.

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

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

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

Failure or delay in completion or delivery

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

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

Payment default by purchasers

There is also a risk that due to conditions in the financial markets or difficult economic conditions, purchasers of such pre-sold properties may not be able to obtain credit to finance their purchases and/or might become insolvent. Purchasers of the Group's properties under deferred payment schemes or otherwise may find it increasingly difficult to secure financing to fund their purchases and could default on their obligations to pay for their units. The Group has granted and may from time to time grant purchasers of its properties (including purchasers of a substantial number of units in a development) an extension of time to pay for their units. There can be no assurance that any such extension or other accommodation granted by the Group to purchasers in respect of their obligations to pay for their units, will subsequently result in a purchaser being able to pay for their units.

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

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

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

The Group is subject to fluctuations in the costs of construction materials, labour and equipment.

The construction cost of the Group's projects fluctuates with the prices of various construction materials, such as metal, stone, cement, sand, pipes, electric cables, sanitary fittings, window and door fittings, light fittings and other materials. The costs of leasing construction equipment, including excavators, cranes and lifting hoists, may also fluctuate over time due to changing market supply and demand conditions.

Furthermore, the construction of the Group's projects requires a relatively large number of skilled and unskilled labour. In the event of any material increase in the costs of construction materials, labour and equipment, and if the Group is unable to secure alternative supply at costs acceptable to it or pass such additional costs to its customers, the operating costs of its projects will increase. As a result, the Group's profitability and financial performance will be adversely affected.

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

The Group engages third-party contractors to provide it with various services in connection with its residential and commercial developments, including construction, piling and foundation, building and property fitting out work, interior design, installation of air-conditioning units and lifts and gardening and landscaping work. There is no assurance that the services rendered by the third-party contractors will be satisfactory or match the level of quality required by the Group. The Group is also exposed to the risk that a contractor may require additional capital in excess of the price originally tendered to complete a project and it may have to bear such additional amounts in order to provide the contractor with sufficient incentive to complete the project.

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

The Group could incur significant costs related to environmental matters.

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

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

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

RISKS RELATING TO THE NOTES AND PERPETUAL SECURITIES

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

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

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

Some Notes and/or Perpetual Securities are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes or Perpetual Securities which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes or, as the case may be, Perpetual Securities will perform under changing conditions, the resulting effects on the value of the Notes or, as the case may be, Perpetual Securities and the impact this investment will have on the potential investor's overall investment portfolio.

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

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

Notes and Perpetual Securities subject to optional redemption by the Issuer

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

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

Index Linked and Dual Currency Notes and Perpetual Securities

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

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

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

Partly-paid Notes and Perpetual Securities

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

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

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

Inverse Floating Rate Notes and Perpetual Securities

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

Fixed/Floating Rate Notes and Perpetual Securities

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

Notes and Perpetual Securities issued at a substantial discount or premium

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

Risks related to Notes and Perpetual Securities generally.

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

Risks related to Notes or Perpetual which are linked to “benchmarks”

LIBOR, EURIBOR and other interest rate or other types of rates and indices which are deemed to be “benchmarks” are the subject of ongoing national and international regulatory reform. Following the implementation of any such potential reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or benchmarks could be eliminated entirely, or there could be other consequences which cannot be predicted. For example, on 27 July 2017, the UK Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the **FCA Announcement**). The FCA Announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. The potential elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to the terms and conditions, or result in other consequences, in respect of any Notes or Perpetual Securities linked to such benchmark (including but not limited to Floating Rate Notes whose interest rates are linked to LIBOR). Any such consequence could have a material adverse effect on the value of and return on any such Notes or Perpetual Securities.

Modification, waivers and substitution

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

In respect of each particular Series of Securities, each of the Conditions of the Notes and the Conditions of the Perpetual Securities provide that the Trustee may agree, without the consent or sanction of the Securityholders, the Receiptholders or the Couponholders, to any modification of any of the provisions of Notes or Perpetual Securities or the Trust Deed and any other transaction documents which is not materially prejudicial to the interests of the Securityholders, the Receiptholders or the Couponholders

or which is of a formal, minor or technical nature or is made to cure any ambiguity or correct a manifest error or an error which, in the reasonable opinion of the Trustee, is proven, or to comply with mandatory provisions of the law or as may be required by the clearing system in which the Securities may be held.

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

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

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

Pursuant to the foreign account tax compliance provisions of the Hiring Incentives to Restore Employment Act of 2010 (**FATCA**), the Issuers and other non-U.S. financial institutions through which payments on the Notes and Perpetual Securities are made may be required to withhold U.S. tax at a rate of 30 per cent. on all, or a portion of, payments made after 31 December 2018 in respect of (i) any Notes and Perpetual Securities issued or materially modified on or after the later of (a) 1 July 2014, and (b) the date that is six months after the date on which the final regulations applicable to “**foreign passthru payments**” are filed in the Federal Register and (ii) any Notes and Perpetual Securities which are treated as equity for U.S. federal tax purposes, whenever issued. Under existing guidance, this withholding tax may be triggered on payments on the Notes and Perpetual Securities if (i) the relevant Issuer is a foreign financial institution (**FFI**) (as defined in FATCA) which enters into and complies with an agreement with the U.S. Internal Revenue Service to provide certain information on its account holders (making the relevant Issuer a “**Participating FFI**”), (ii) the relevant Issuer is required to withhold on “foreign passthru payments”, and (iii)(a) an investor does not provide information sufficient for the relevant Participating FFI to determine whether the investor is subject to withholding under FATCA, or (b) any FFI to or through which payment on such Notes and Perpetual Securities is made is not a Participating FFI or otherwise exempt from FATCA withholding.

Singapore and the United States have signed a FATCA Model 1 Intergovernmental Agreement on 9 December 2014 to help implement FATCA for certain Singaporean entities. The full impact of such an agreement on the Issuers and their reporting and withholding responsibilities under FATCA is unclear. The relevant Issuer is required to report certain information on its U.S. accountholders to the government of Singapore in order (i) to obtain an exemption from FATCA withholding on payments it receives and/or (ii) to comply with any applicable Singaporean law. It is not yet certain how the United States and Singapore will address withholding on “foreign passthru payments” (which may include payments on the Notes and Perpetual Securities) or if such withholding will be required at all.

If an amount in respect of U.S. and Singapore withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes and Perpetual Securities as a result of FATCA, none of the relevant Issuer, any paying agent or any other person would, pursuant to the Conditions of the Notes or the Conditions of the Perpetual Securities be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected. Holders of the Notes and Perpetual Securities should consult their own tax advisers on how these rules may apply to payments they receive under the Notes and Perpetual Securities.

The application of FATCA to Notes and Perpetual Securities issued or materially modified on or after the later of (a) the date that is six months after the date on which the final regulations applicable to “foreign passthru payments” are filed in the Federal Register and (b) 1 July 2014 (or whenever issued, in the case of Notes and Perpetual Securities treated as equity for U.S. federal tax purposes) may be addressed in the relevant Pricing Supplement or a supplement to this Offering Circular, as applicable.

Change of law

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

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

In relation to any issue of Bearer Notes or Bearer Perpetual Securities which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes or, as the case may be, the Perpetual Securities may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes or Perpetual Securities at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Bearer Note or a definitive Bearer Perpetual Security in respect of such holding (should definitive Notes or definitive Perpetual Securities be printed or issued) and would need to purchase a principal amount of Notes or Perpetual Securities such that its holding amounts to a Specified Denomination.

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

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

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

If a court were to find the Guarantee, the Senior Guarantee or, as the case may be, the Subordinated Guarantee given by the Guarantor, or a portion thereof, void or unenforceable as a result of such local laws or defence, or to the extent that agreed limitations on guarantees apply, holders would cease to have any claim in respect of the Guarantor and would be creditors solely of the relevant Issuer and, if payment had already been made under the Guarantee, the Senior Guarantee or, as the case may be, the Subordinated Guarantee, the court could require that the recipient return the payment to the Guarantor.

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

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

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

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

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

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

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

In order to comply with applicable law, regulation, requests of a public or regulatory authority or any internal group policy which relates to the prevention of fraud, money laundering, terrorism or other criminal activities or the provision of financial and other services to sanctioned persons or entities (the **Prohibited Activities**), the Agents and the Trustee, and their respective delegates, may be obliged to intercept and investigate transactions on the relevant Issuer's and/or the Guarantor's accounts including the source of the intended recipient of funds paid into or out of the relevant Issuer's and/or the Guarantor's accounts. In certain circumstances, such action may delay or prevent the processing of the relevant Issuer's and/or the Guarantor's instructions, the settlement of transactions over the relevant Issuer's and/or the Guarantor's accounts or the Agents' or Trustee's performance of their respective obligations under the Agency Agreement and the Trust Deed, and result in a delay in payment or non-payment by the relevant Issuer and/or the Guarantor under the Securities on the due date for payment. In the limited circumstances set out in Condition 6.7 of the Notes and Condition 6.7 of the Perpetual Securities, unless a court of competent jurisdiction or relevant public or regulatory authority determines that such funds transferred by the relevant Issuer and/or the Guarantor relate to the Prohibited Activities, such delay in payment or non-payment shall not constitute a default in payment of any principal or interest or distributions, as

the case may be, due under the Securities by the relevant Issuer and/or the Guarantor, and shall not entitle Securityholders, Receiptholders and/or the Couponholders to further interest, distribution or other payment in respect of such delay in payment or non-payment on the due date for payment.

Risks related to the market generally.

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

The secondary market generally

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

Exchange rate risks and exchange controls

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

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

Interest rate risks

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

Legal risk factors may restrict certain investments.

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

Singapore taxation risk.

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

However, there is no assurance that such Notes will continue to enjoy the tax concessions for qualifying debt securities should the relevant tax laws be amended or revoked at any time.

RISKS RELATING ONLY TO PERPETUAL SECURITIES

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

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

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

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

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

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

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

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

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

Any scheduled distribution will not be due if the relevant Issuer elects to defer that distribution pursuant to the Conditions of the Perpetual Securities. Notwithstanding any of the provisions relating to non-payment defaults, the right to institute Winding-Up proceedings is limited to circumstances where payment has become due and the relevant Issuer (failing which, the Guarantor) fails to make the payment when due. Subject to the Conditions of the Perpetual Securities, the only remedy against the relevant Issuer and the Guarantor available to any holder of Perpetual Securities for recovery of amounts in respect of the Perpetual Securities and/or the Guarantee of the Senior Perpetual Securities and/or the Guarantee of the Subordinated Perpetual Securities following the occurrence of a payment default after any sum becomes due in respect of the Perpetual Securities and/or the Guarantee of the Senior Perpetual Securities and/or the Guarantee of the Subordinated Perpetual Securities will be proving in such Winding-Up and/or claiming in the liquidation of the relevant Issuer and/or the Guarantor in respect of any payment obligations of the relevant Issuer and/or the Guarantor arising from the Perpetual Securities and/or the Guarantee of the Senior Perpetual Securities and/or the Guarantee of the Subordinated Perpetual Securities.

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

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

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

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

In addition, subject to the limit on the aggregate principal amount of Securities that can be issued under the Programme (which can be amended from time to time by the relevant Issuer and the Guarantor without the consent of the Noteholders), there is no restriction on the amount of unsubordinated securities or other liabilities which the Issuers may issue or incur and which rank senior to, or *pari passu* with, the Subordinated Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by holders of Subordinated Perpetual Securities

on a Winding-Up of any Issuer and/or the Guarantor and/or may increase the likelihood of a deferral of Distribution under the Subordinated Perpetual Securities. The holders of Perpetual Securities will not have recourse to any specific assets of the relevant Issuer, the Guarantor and/or the Group.

Tax treatment of the Perpetual Securities is unclear.

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

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

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

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

RISKS RELATING TO NOTES AND PERPETUAL SECURITIES DENOMINATED IN RENMINBI

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

Renminbi is not freely convertible at present. The People’s Republic of China (the **PRC**) government continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar, despite significant reduction in control by it in recent years over routine foreign exchange transactions. These transactions are known as current account items. Participating banks in a number of financial centres and cities have been permitted to engage in the settlement of current account trade transactions in Renminbi.

On 13 October 2011, the PBOC promulgated the “Administrative Measures on Renminbi Settlement of Foreign Direct Investment” (外商直接投資人民幣結算業務管理辦法) (the **PBOC FDI Measures**) as part of the implementation of the PBOC’s detailed Renminbi foreign direct investments (**FDI**) accounts administration system. The system covers almost all aspects in relation to FDI, including capital injections, payments for the acquisition of PRC domestic enterprises, repatriation of dividends and other distributions, as well as Renminbi denominated cross-border loans. Under the PBOC FDI Measures, special approval for FDI and shareholder loans from the PBOC, which was previously required, is no longer necessary. In some cases however, post-event filing with the PBOC is still necessary. On 14 June 2012, the PBOC further issued the implementing rules for the PBOC FDI Measures, which provides more detailed rules relating to cross-border Renminbi direct investments and settlement.

On 5 July 2013, the PBOC promulgated the “Circular on Policies related to Simplifying and Improving Cross-border Renminbi Business Procedures” (關於簡化跨境人民幣業務流程和完善有關政策的通知) (the **2013 PBOC Circular**), which sought to improve the efficiency of the cross-border Renminbi settlement process. For example, where automatic fund remittance occurs, the bank can debit the amount into the relevant account first and subsequently verify the relevant transaction. The PBOC further issued the Circular on the Relevant Issues on Renminbi Settlement of Investment in Onshore Financial Institutions by Foreign Investors (關於境外投資者投資境內金融機構人民幣結算有關事項的通知) on 23 September 2013, which provides further details for using Renminbi to invest in a financial institution domiciled in the PRC.

On 3 December 2013, the Ministry of Commerce of the PRC (**MOFCOM**) promulgated the “Circular on Issues in relation to Cross-border Renminbi Foreign Direct Investment” (商務部關於跨境人民幣直接投資有關問題的公告) (the **MOFCOM Circular**), which became effective on 1 January 2014, to further facilitate FDI by simplifying and streamlining the applicable regulatory framework. Pursuant to the MOFCOM Circular, the appropriate office of MOFCOM and/or its local counterparts will grant written approval for each FDI and specify “Renminbi Foreign Direct Investment” and the amount of capital contribution in the approval. Unlike previous MOFCOM regulations on FDI, the MOFCOM Circular removes the approval requirement for foreign investors who intend to change the currency of its existing capital contribution from a foreign currency to Renminbi. In addition, the MOFCOM Circular also clearly prohibits the FDI funds from being used for any investment in securities and financial derivatives (except for investment in the PRC listed companies as strategic investors) or for entrustment loans in the PRC.

To support the development of the China (Shanghai) Pilot Free Trade Zone (the **Shanghai FTZ**), the Shanghai Head Office of the PBOC issued the “Circular on Supporting the Expanded Cross-border Utilisation of Renminbi in the Shanghai FTZ” (關於支持中國（上海）自由貿易試驗區擴大人民幣跨境使用的通知) (the **PBOC Shanghai FTZ Circular**) on 20 February 2014, which allows banks in Shanghai to settle FDI based on a foreign investor’s instruction. In respect of FDI in industries that are not on the “negative list” of the Shanghai FTZ, the MOFCOM approval previously required is replaced by a filing. However, the application of the PBOC Shanghai FTZ Circular is limited to the Shanghai FTZ.

The above measures and circulars are relatively new and will be subject to interpretation and application by the relevant PRC authorities. The local counterparts of the relevant PRC authorities may adopt different practices in applying these measures and circulars and impose conditions for the settlement of Renminbi current account items.

Although from 1 October 2016, the Renminbi was 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 outside the PRC. In the event that funds cannot be repatriated outside the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the relevant Issuer to source Renminbi to finance its obligations under the Notes or Perpetual Securities denominated in Renminbi (the **RMB Notes** and **RMB Perpetual Securities** respectively).

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

As a result of the restrictions by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited.

While the PBOC has established Renminbi clearing and settlement mechanisms for participating banks in various countries globally through settlement agreements on the clearing of Renminbi business (the **Settlement Agreements**) with financial institutions in a number of financial centres and cities (each, a **Renminbi Clearing Bank**), the current size of Renminbi denominated financial assets outside the PRC is limited.

There are restrictions imposed by the 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 the PBOC. The Renminbi Clearing Banks only have access to onshore liquidity support from the 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 regulations will not be promulgated or the Settlement Agreements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of the RMB Notes or RMB Perpetual Securities. To the extent the relevant Issuer is required to source Renminbi outside the PRC to service the RMB Notes or RMB Perpetual Securities, there is no assurance that the relevant Issuer will be able to source such Renminbi on satisfactory terms, if at all.

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

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

As a result, the value of these Renminbi payments may vary with the changes in the prevailing exchange rates in the marketplace. Recently, the PBOC implemented a change 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 volatility in the value of the Renminbi against foreign currencies. If the value of Renminbi depreciates against another foreign currency, the value of the investment made by a holder of the RMB Notes or RMB Perpetual Securities in that foreign currency will decline. In addition, there may be tax consequences for investors as a result of any foreign currency gains resulting from any investment in the RMB Notes.

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

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

DOCUMENTS INCORPORATED BY REFERENCE

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

- (a) each Pricing Supplement;
- (b) the most recently published audited financial statements of KLFS since the date of this Offering Circular;
- (c) the most recently published audited consolidated financial statements of KLL since the date of this Offering Circular;
- (d) the most recently published report of KLL to its stakeholders since the date of this Offering Circular; and
- (e) all supplements or amendments to this Offering Circular circulated by the Issuers and the Guarantor from time to time,

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

The full version of KLL's reports to its stakeholders published from time to time can be obtained from KLL's website at www.keppelland.com.sg.

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

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

FORM OF THE NOTES

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

Bearer Notes

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

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

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

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

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

The applicable Pricing Supplement will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, receipts, interest coupons and talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 10) has occurred and is continuing, (ii) (a) the relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg have or, in the case of Notes cleared through the CMU Service, the CMU Service has or, (b) in the case

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

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

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

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

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

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

Direct Rights in respect of Bearer Global Notes cleared through CDP

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

Following the giving of the default notice, the holder of the Notes represented by the Bearer Global Note cleared through CDP may (subject as provided below) elect that direct rights (**Direct Rights**) under the provisions of the relevant CDP Deed of Covenant (as defined in the Conditions) shall come into effect in respect of a nominal amount of Notes up to the aggregate nominal amount in respect of which such default notice has been given. Such election shall be made by notice to the CDP Paying Agent and presentation of the Bearer Global Note to or to the order of the CDP Paying Agent for reduction of the nominal amount of Notes represented by the Bearer Global Note by such amount as may be stated in such notice and by endorsement of the appropriate schedule to the Bearer Global Note of the nominal amount of Notes in respect of which Direct Rights have arisen under the relevant CDP Deed of Covenant. Upon each such notice being given, the Bearer Global Note shall become void to the extent of the

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

Registered Notes

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

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

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

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default has occurred and is continuing, (ii) (a) the relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg have or, in the case of Notes cleared through the CMU Service, the CMU Service has, or, (b) in the case of Notes cleared through CDP, CDP has, been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or, other than in the case of Notes cleared through CDP, have in fact done so and, in the case of Notes not cleared through CDP, no successor or alternative clearing system satisfactory to the Trustee is available or, in the case of Notes cleared through CDP, no successor clearing system is available, (iii) in the case of Notes cleared through CDP, CDP has notified the relevant Issuer that it is unable or unwilling to act as depositary for the Notes and to continue performing its duties set out in its terms and conditions for the provision of depositary services and no alternative clearing system is available or (iv) in the case of Notes not cleared by CDP, the relevant Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Registered Global Notes in definitive form and a certificate to such effect signed by one authorised signatory of the Issuer is given to the Trustee. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, (a) in the case of Notes registered in the name of CDP or a nominee for CDP, or Euroclear and Clearstream, Luxembourg, CDP or Euroclear and/or Clearstream, Luxembourg, or as the case may be, a nominee for the Common Depositary acting on their behalf (acting on the instructions of any holder of an interest in such Registered Global Note) and/or, (b) in the case of Notes held through a sub-custodian for the CMU Service, the relevant account holders therein, may give notice to the Registrar or the CMU Lodging and Paying Agent, as the case may be, requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iv) above, the relevant Issuer may also give notice to the Registrar or the CMU Lodging and Paying Agent (as the case may be) requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar, the CDP Paying Agent or the CMU Lodging and Paying Agent, as the case may be (the last date for such exchange, the **Registered Note Exchange Date**).

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

Direct Rights in respect of Global Registered Notes cleared through CDP

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

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

General

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

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

acountholder and the principal amount of any Note credited to its account, save in the case of manifest error) and such payments shall discharge the obligation of the relevant Issuer in respect of that payment under such Note.

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

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

FORM OF THE PERPETUAL SECURITIES

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

Bearer Perpetual Securities

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

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

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

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

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

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

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

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

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

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

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

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

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

Following the giving of the default notice, the holder of the Perpetual Securities represented by the Bearer Global Perpetual Security cleared through CDP may (subject as provided below) elect that direct rights (**Direct Rights**) under the provisions of the relevant CDP Deed of Covenant (as defined in the Conditions)

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

Registered Perpetual Securities

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

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

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

Interests in a Registered Global Perpetual Security will be exchangeable (free of charge), in whole but not in part, for definitive Registered Perpetual Securities without distribution coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Enforcement Event has occurred and is continuing, (ii) (a) the relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg have or, in the case of Perpetual Securities cleared through the CMU Service, the CMU Service has, or, (b) in the case of Perpetual Securities cleared through CDP, CDP has, been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or, other than in the case of Perpetual Securities cleared through CDP, have in fact done so and, in the case of Perpetual Securities not cleared through CDP, no successor or alternative clearing system satisfactory to the Trustee is available or, in the case of Perpetual Securities cleared through CDP, no successor clearing system is available, (iii) in the case of Perpetual Securities cleared through CDP, CDP has notified the relevant Issuer that it is unable or unwilling to act as depository for the Perpetual Securities and to continue performing its duties set out in its terms and conditions for the provision of depository services and no alternative clearing system is available or (iv) in the case of Perpetual Securities not cleared through CDP, the relevant Issuer has or will become subject to adverse tax consequences which would not be suffered where the Perpetual Securities represented by the Registered Global Perpetual Securities in definitive form and a certificate to such effect signed by one authorised signatory of the Issuer is given to the Trustee. The relevant Issuer will promptly give notice to Securityholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, (a) in the case of Perpetual Securities registered in the name of CDP or a nominee for CDP, or Euroclear and Clearstream, Luxembourg, CDP or Euroclear and/or Clearstream, Luxembourg, or as the case may be, a nominee for

the Common Depositary acting on their behalf (acting on the instructions of any holder of an interest in such Registered Global Perpetual Security) and/or, (b) in the case of Perpetual Securities held through a sub-custodian for the CMU Service, the relevant account holders therein, may give notice to the Registrar, the CDP Paying Agent or the CMU Lodging and Paying Agent, as the case may be, requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iv) above, the relevant Issuer may also give notice to the Registrar or the CMU Lodging and Paying Agent (as the case may be) requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar, the CDP Paying Agent or the CMU Lodging and Paying Agent, as the case may be (the last date for such exchange, the **Registered Perpetual Security Exchange Date**).

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

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

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

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

General

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

For so long as any of the Perpetual Securities is represented by a Global Perpetual Security held on behalf of Euroclear and/or Clearstream, Luxembourg or the CMU Service or CDP, each person (other than Euroclear and/or Clearstream, Luxembourg or the CMU Service or CDP or its nominee) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg or the CMU Service or CDP as the holder of a particular nominal amount of such Perpetual Securities (in which regard any certificate or other document issued by Euroclear and/or Clearstream, Luxembourg or the CMU Service or CDP as to the nominal amount of such Perpetual Securities standing to the account of any person shall be conclusive and binding for all purposes save, in the case of Perpetual Securities not cleared through CDP, for manifest error) shall be treated by the relevant Issuer, the Guarantor, the Trustee, the Registrar (in the case of Registered Perpetual Securities) and all other agents of the relevant Issuer as the holder of such nominal amount of such Perpetual Securities for all purposes other than with respect

to the payment of principal or distributions and, in the case of Notes cleared through CDP, premium redemption, purchase and/or any other amounts which accrue or are otherwise payable by the relevant Issuer through CDP, on such nominal amount of such Perpetual Securities, for which purposes the bearer of the relevant Bearer Global Perpetual Security or the registered holder of the relevant Registered Global Perpetual Security shall be treated by the relevant Issuer, the Guarantor, the Trustee and their agents as the holder of such nominal amount of such Perpetual Securities in accordance with and subject to the terms of the relevant Global Perpetual Security and the expressions **Securityholder** and **holder of Perpetual Securities** and related expressions shall be construed accordingly. Notwithstanding the above, if a Perpetual Security (whether in global or definitive form) is held through the CMU Service, any payment that is made in respect of such Perpetual Security shall be made at the direction of the bearer or the registered holder to the person(s) for whose account(s) interests in such Perpetual Security are credited as being held through the CMU Service in accordance with the CMU Rules (as defined in the Agency Agreement) at the relevant time as notified to the CMU Lodging and Paying Agent by the CMU Service in a relevant CMU Instrument Position Report or any other relevant notification by the CMU Service (which notification, in either case, shall be conclusive evidence of the records of the CMU Service as to the identity of any accountholder and the principal amount of any Perpetual Security credited to its account, save in the case of manifest error) and such payments shall discharge the obligation of the relevant Issuer in respect of that payment under such Perpetual Security.

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

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

APPLICABLE PRICING SUPPLEMENT FOR NOTES

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

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

[Date]

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

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

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

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

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

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

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

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

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

1. (a) Issuer: [Keppel Land Financial Services Pte. Ltd./ Keppel Land Limited]

(b) Guarantor: [Keppel Land Limited / Not Applicable]

2. (a) Series Number: []

(b) Tranche Number: []

(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)

3. Specified Currency or Currencies: []

4. Aggregate Nominal Amount:

(a) Series: []

(b) Tranche: []

5. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]

6. (a) Specified Denominations: []

(N.B. In the case of Registered Notes, this means the minimum integral amount in which transfers can be made)

(Note – in the case of Bearer Notes, where multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed:

“[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].”)

(b) Calculation Amount: []

(If only one Specified Denomination, insert the Specified Denomination.

If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)

7. (a) Issue Date: []

(b) Interest Commencement Date: [specify/Issue Date/Not Applicable]

(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)

8. Maturity Date: *[Fixed rate - specify date/
Floating rate - Interest Payment Date falling in or
nearest to [specify month]]*
9. Interest Basis: *[[] per cent. Fixed Rate]
[[LIBOR/EURIBOR/SIBOR/SOR] +/- [] per cent.
Floating Rate]
[Zero Coupon]
[Index Linked Interest]
[Dual Currency Interest]
[specify other]
(further particulars specified below)*
10. Redemption/Payment Basis: *[Redemption at par]
[Index Linked Redemption]
[Dual Currency Redemption]
[Partly Paid]
[Instalment]
[specify other]*
11. Change of Interest Basis or Redemption/Payment Basis: *[Specify details of any provision for change of Notes
into another Interest Basis or Redemption/Payment
Basis]*
12. Put/Call Options: *[Investor Put]
[Issuer Call]
[(further particulars specified below)]*
13. (a) Status of the Notes: *[Senior]*
- (b) Status of the Guarantee: *[Senior / Not applicable]*
- (c) [Date [Board] approval for issuance of Notes [and Guarantee] obtained: *[] [and [], respectively]]

(N.B. Only relevant where Board (or similar)
authorisation is required for the particular tranche of
Notes or related Guarantee)*
14. Listing: *[SGX-ST/(specify)/None]*
15. Method of distribution: *[Syndicated/Non-syndicated]*

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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

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

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

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

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

PROVISIONS RELATING TO REDEMPTION

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

- (a) Optional Redemption Date(s): []

- (b) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[] per Calculation Amount/specify other/see Appendix]

- (c) If redeemable in part:

- (i) Minimum Redemption Amount: [] per Calculation Amount

- (ii) Maximum Redemption Amount: [] per Calculation Amount

- (d) Notice period (if other than as set out in the Conditions): []

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

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

- (a) Optional Redemption Date(s): []

- (b) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[] per Calculation Amount/specify other/see Appendix]

- (c) Notice period (if other than as set out in the Conditions): []

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

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

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25. Form of Notes: [Bearer Notes:]
- [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event]
- [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]
- [Permanent Global Note exchangeable for Definitive Notes only upon an Exchange Event]
- [Registered Notes:
Regulation S Registered Global Note ([U.S.\$] [] nominal amount) registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg]
- (Specified Denomination construction substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]." is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)*
26. Governing Law of the Notes: [English/Singapore] Law
27. Additional Financial Centre(s) or other special provisions relating to Payment Days: [Not Applicable/give details]
(Note that this paragraph relates to the place of payment and not Interest Period end dates to which sub-paragraphs 17(c) and 19(g) relate)
28. Talons for future Coupons or Receipts to be attached to Definitive Bearer Notes (and dates on which such Talons mature): [Yes/No. If yes, give details][Not Applicable]
29. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the relevant Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details. N.B. a new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues]

30. Details relating to Instalment Notes:

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

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

31. Redenomination applicable, renominatisation and reconventioning provisions: [Not Applicable / The provisions [annexed to this Pricing Supplement] apply]
[(If Redenomination is applicable, specify the applicable Day Count Fraction and any provisions necessary to deal with floating rate interest calculation (including alternative reference rates))]

32. Consolidation provisions: Consolidation [not] applicable
[(If Consolidation is applicable, specify the applicable provisions)]

33. Other terms: [Not Applicable/give details]

DISTRIBUTION

34. (a) If syndicated, names of Managers: [Not Applicable/give names]

(b) Date of Subscription Agreement: []

(c) Stabilising Manager(s) (if any): [Not Applicable/give name]

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

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

37. Additional selling restrictions: [Not Applicable/give details]

OPERATIONAL INFORMATION

38. ISIN Code: []

39. Common Code: []

(Insert here any other relevant codes such as a CMU instrument number)

40. Any clearing system(s) other than Euroclear Bank S.A./N.V., and Clearstream: [CDP/CMU Service/Give name(s) and number(s)]

41. Delivery: Delivery [against/free of] payment

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

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

[LISTING APPLICATION

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

RESPONSIBILITY

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

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

By:
Duly authorised

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

By:
Duly authorised]

APPLICABLE PRICING SUPPLEMENT FOR PERPETUAL SECURITIES

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

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

[Date]

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

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

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

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

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

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

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

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

1. (a) Issuer: [Keppel Land Financial Services Pte. Ltd./ Keppel Land Limited]
- (b) Guarantor: [Keppel Land Limited / Not applicable]
2. (a) Series Number: []
- (b) Tranche Number: []
(If fungible with an existing Series, details of that Series, including the date on which the Perpetual Securities become fungible)
3. Specified Currency or Currencies: []
4. Aggregate Nominal Amount:
- (a) Series: []
- (b) Tranche: []
5. Issue Price: [] per cent. of the Aggregate Nominal Amount
[plus accrued distributions from *[insert date]* (if applicable)]
6. (a) Specified Denominations: []
(N.B. In the case of Registered Perpetual Securities, this means the minimum integral amount in which transfers can be made)

(Note – in the case of Bearer Perpetual Securities, where multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed:

“[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Perpetual Securities in definitive form will be issued with a denomination above [€199,000].”)

(b) Calculation Amount: []

(If only one Specified Denomination, insert the Specified Denomination.

If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)
7. (a) Issue Date: []
- (b) Distribution Commencement Date: [specify/Issue Date/Not Applicable]

(N.B. A Distribution Commencement Date will not be relevant for certain Perpetual Securities, for example Zero Coupon Perpetual Securities.)

8. Distributions:

(i) Distribution Rate: [[] per cent. Fixed Rate]
[[LIBOR/EURIBOR/SIBOR/SOR] +/- [] per cent. Floating Rate]
[Zero Coupon]
[Index Linked Distribution]
[Dual Currency Distribution]
[specify other]
(further particulars specified below)

(ii) Distribution Deferral: [Applicable/Not Applicable]

(iii) Cumulative Deferral: [Applicable/Not Applicable]

(iv) Non-Cumulative Deferral: [Applicable/Not Applicable]

(v) Additional Distribution: [Applicable/Not Applicable]

(vi) Dividend Pusher: [Applicable/Not Applicable]

[Dividend Pusher periods] (N.B. If Dividend Pusher is applicable, to specify the period(s) during which a Compulsory Distribution Payment Event must not occur in order for the relevant Issuer to defer any distribution.)

[specify any other Compulsory Distribution Payment Events]

(vii) Dividend Stopper: [Applicable/Not Applicable]

9. Redemption/Payment Basis:

[Redemption for Taxation Reasons]
[Redemption for Accounting Reasons]
[Redemption for Tax Deductibility Event]
[Redemption at the Option of the Issuer]
[Minimum Outstanding Amount Redemption Option]

10. Early Redemption Amount:

(i) Early Redemption Amount(s) per Calculation Amount payable on redemption and/or the method of calculating the same: []

(ii) Make Whole Amount: []

(iii) Reference Rate: [LIBOR, EURIBOR, SIBOR, SOR or other]

11. Change of Redemption/Payment Basis:

[Specify details of any provision for convertibility of Perpetual Securities into another interest or redemption/payment basis]

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

PROVISIONS RELATING TO DISTRIBUTIONS (IF ANY) PAYABLE

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

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

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

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

GENERAL PROVISIONS APPLICABLE TO THE PERPETUAL SECURITIES

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

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

DISTRIBUTION

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

OPERATIONAL INFORMATION

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

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

42. Registrar: [] (*include in respect of Registered Perpetual Securities only*)

[LISTING APPLICATION]

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

RESPONSIBILITY

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

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

By:
Duly authorised

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

By:
Duly authorised]

TERMS AND CONDITIONS OF THE NOTES

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

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

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

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

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

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

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

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

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

and all such references shall be construed accordingly.

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

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

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

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

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

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

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

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

1. FORM, DENOMINATION AND TITLE

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

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

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

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

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

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

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

2. TRANSFER OF REGISTERED NOTES

2.1 Transfers of interests in Registered Global Notes

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

2.2 Transfers of Registered Notes in definitive form

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

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

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

2.3 Registration of transfer upon partial redemption

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

2.4 Costs of registration

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

2.5 Closed periods

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

2.6 Exchanges and transfers of Registered Notes generally

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

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

3.1 Status of the Notes

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

3.2 Status of the Guarantee

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

4. NEGATIVE PLEDGE AND COVENANTS

4.1 Negative Pledge

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

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

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

Provided that nothing in this Condition 4:

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

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

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

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

4.2 Shareholding Covenant

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

5. INTEREST

5.1 Interest on Fixed Rate Notes

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

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

As used in the Conditions:

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

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

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

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

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

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

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

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

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

5.2 Interest on Floating Rate Notes and Index Linked Interest Notes

(a) Interest Payment Dates

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

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

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

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

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

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

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

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

(b) Rate of Interest

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

(i) ISDA Determination for Floating Rate Notes

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

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

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

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

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

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

- (A) the offered quotation; or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

In the case of Premium:

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

In the case of Discount:

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

where:

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

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

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

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

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

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

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

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

In the case of Premium:

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

In the case of Discount:

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

where:

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

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

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

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

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

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

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

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

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

In the Conditions:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

(e) Notification of Rate of Interest and Interest Amounts

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

(f) Determination or Calculation by Trustee

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

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

(g) Certificates to be final

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

5.3 Interest on Dual Currency Interest Notes

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

5.4 Interest on Partly Paid Notes

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

5.5 Accrual of interest

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

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

6. PAYMENTS

6.1 Method of payment

Subject as provided below:

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

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

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

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

6.2 Presentation of Definitive Bearer Notes, Receipts and Coupons

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

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

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

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

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

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

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

6.3 Payments in respect of Bearer Global Notes

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

6.4 Payments in respect of Registered Notes

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

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

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

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

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

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

6.5 General provisions applicable to payments

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

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

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

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

6.6 Payment Day

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

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

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

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

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

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

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

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

6.8 Interpretation of principal and interest

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

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

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

7. REDEMPTION AND PURCHASE

7.1 Redemption at maturity

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

7.2 Redemption for tax reasons

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

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

- (b) such obligation cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

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

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

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

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

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

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

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

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

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

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

7.5 Early Redemption Amounts

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

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

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

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

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

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

7.6 Instalments

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

7.7 Partly Paid Notes

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

7.8 Purchases

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

7.9 Cancellation

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

7.10 Late payment on Zero Coupon Notes

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

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

8. TAXATION

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

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

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

As used herein:

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

9. PRESCRIPTION

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

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

10. EVENTS OF DEFAULT

10.1 Events of Default

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

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

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

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

10.2 Enforcement

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

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

11. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS

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

12. PAYING AGENTS AND REGISTRAR

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

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

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

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

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

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

13. EXCHANGE OF TALONS

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

14. NOTICES

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

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

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

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

15. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

15.1 Meetings

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

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

15.2 Modification, waivers and substitution

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

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

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

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

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

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

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

17. FURTHER ISSUES

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

18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT

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

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

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

19. GOVERNING LAW AND SUBMISSION TO JURISDICTION

19.1 Governing law

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

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

19.2 Submission to jurisdiction

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

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

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

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

19.3 Appointment of Process Agent

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

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

19.4 Other documents and the Guarantor

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

TERMS AND CONDITIONS OF THE PERPETUAL SECURITIES

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

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

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

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

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

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

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

For the purposes of these Conditions, all references:

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

and all such references shall be construed accordingly.

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

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

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

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

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

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

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

1. FORM, DENOMINATION AND TITLE

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

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

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

Definitive Bearer Perpetual Securities are issued with Coupons attached.

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

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

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

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

2. TRANSFER OF REGISTERED PERPETUAL SECURITIES

2.1 Transfers of interests in Registered Global Perpetual Securities

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

2.2 Transfers of Registered Perpetual Securities in definitive form

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

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

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

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

2.3 Registration of transfer upon partial redemption

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

2.4 Costs of registration

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

2.5 Closed periods

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

2.6 Exchanges and transfers of Registered Perpetual Securities generally

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

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

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

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

- (ii) **Guarantee:** The payment of principal and distribution in respect of the Senior Perpetual Securities and all other moneys payable by the Issuer under or pursuant to the Trust Deed has been unconditionally and irrevocably guaranteed by the Guarantor in the Trust Deed (the **Senior Guarantee**). The payment obligations of the Guarantor under the Senior Guarantee constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and (save for certain obligations required to be preferred by law) rank equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor from time to time outstanding.
- (b) **Subordinated Perpetual Securities:** This Condition 3(b) (*Subordinated Perpetual Securities*) applies to Perpetual Securities that are specified in the applicable Pricing Supplement to be Subordinated Perpetual Securities.
 - (i) **Status of Subordinated Perpetual Securities:** The Subordinated Perpetual Securities and the Coupons relating to them constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank *pari passu* and without any preference among themselves and with any Parity Obligations (as defined in the applicable Pricing Supplement) of the Issuer. The rights and claims of the Securityholders in respect of the Subordinated Perpetual Securities are subordinated as provided in this Condition 3(b) (*Subordinated Perpetual Securities*).
 - (ii) **Ranking of claims on Winding-Up — Issuer:** Subject to the insolvency laws of the jurisdiction of incorporation of the Issuer and other applicable laws, in the event of the Winding-Up of the Issuer, the rights of the Securityholders and Couponholders to payment of principal of, and distribution on, the Subordinated Perpetual Securities and the Coupons relating to them are expressly subordinated and subject in right of payment to the prior payment in full of all claims of senior creditors of the Issuer but at least *pari passu* with all other subordinated obligations of the Issuer that are not expressed by their terms to rank junior to the Subordinated Perpetual Securities and in priority to the claims of shareholders of the Issuer and/or as otherwise specified in the applicable Pricing Supplement.
 - (iii) **Set-off — Issuer:** Subject to applicable law, no Securityholder or Couponholder may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or any Coupons relating to them, and each Securityholder or Couponholder shall, by virtue of his holding of any Subordinated Perpetual Securities or any Coupons relating to them, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer. Notwithstanding the preceding sentence, if any of the amounts owing to any Securityholder or Couponholder by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them is discharged by set-off, such Securityholder or Couponholder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its Winding-Up or administration, the liquidator or, as appropriate, administrator of the Issuer) and, until such time as payment is made, shall hold such amount in trust for the Issuer (or the liquidator or, as appropriate, administrator of the Issuer) and accordingly any such discharge shall be deemed not to have taken place.
 - (iv) **Guarantee of Subordinated Perpetual Securities:** The payment of principal and distribution in respect of the Subordinated Perpetual Securities and all other moneys expressed to be payable by the Issuer under or pursuant to the Trust

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

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

4. DISTRIBUTIONS AND OTHER CALCULATIONS

4.1 Distribution on Fixed Rate Perpetual Securities

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

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

As used in the Conditions:

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

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

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

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

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

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

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

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

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

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

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

(a) Distribution Payment Dates

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

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

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

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

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

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

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

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

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

(b) *Rate of Distribution*

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

(i) ISDA Determination for Floating Rate Perpetual Securities

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

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

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

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

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

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

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

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

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

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

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

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

- (A) Each Floating Rate Perpetual Security where the Reference Rate is specified as being SIBOR (in which case such Perpetual Security will be a **SIBOR Perpetual**

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

- (B) The Rate of Distribution payable from time to time in respect of each Floating Rate Perpetual Security under this Condition 4.2(b)(iii) will be determined by the Calculation Agent on the basis of the following provisions:
- (i) in the case of Floating Rate Perpetual Securities which are SIBOR Perpetual Securities:
 - (aa) the Calculation Agent will, at or about the relevant time on the relevant Distribution Determination Date in respect of each Distribution Period, determine the Rate of Distribution for such Distribution Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Distribution Period which appears on the Reuters Screen ABSIRFIX01 page under the caption “ASSOCIATION OF BANKS IN SINGAPORE — SIBOR AND SWAP OFFER RATES — RATES AT 11:00 A.M. SINGAPORE TIME” and the column headed “SGD SIBOR” (or such other Relevant Screen Page) plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any);
 - (bb) if no such rate appears on the Reuters Screen ABSIRFIX01 page (or such other replacement page thereof), the Calculation Agent will, at or about the relevant time on such Distribution Determination Date, determine the Rate of Distribution for such Distribution Period which shall be the rate which appears on Page ABSI on the monitor of the Bloomberg agency under the caption “ASSOCIATION OF BANKS IN SG — SWAP OFFER AND SIBOR FIXING RATES — RATES AT 11:00AM SINGAPORE TIME” and the column headed “SGD SIBOR” (or such other replacement page thereof), being the offered rate for deposits in Singapore dollars for a period equal to the duration of such Distribution Period;
 - (cc) if no such rate appears on Page ABSI on the monitor of the Bloomberg agency (or such other replacement page thereof or, if no rate appears, on such other Relevant Screen Page) or if Page ABSI on the monitor of the Bloomberg agency (or such other replacement page thereof or such other Relevant Screen Page) is unavailable for any reason, the Calculation Agent will request the Reference Banks to provide the Calculation Agent with the rate at which deposits in Singapore dollars are offered by it at approximately the relevant time on the Distribution Determination Date to prime banks in the Singapore inter-bank market for a period equivalent to the duration of such Distribution Period commencing on such Distribution Payment Date in an amount comparable to the aggregate nominal amount of the relevant Floating Rate Perpetual Securities. The Rate of Distribution for such Distribution Period shall be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of such offered quotations, plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any) as determined by the Calculation Agent;
 - (dd) if on any Distribution Determination Date two but not all the Reference Banks provide the Calculation Agent with such quotations, the Rate of Distribution for the relevant Distribution Period shall be determined in

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

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

In the case of Premium:

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

In the case of Discount:

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

where:

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

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

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

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

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

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

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

In the case of Premium:

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

In the case of Discount:

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

where:

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

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

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

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

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

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

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

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

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

In the Conditions:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

The Principal Paying Agent, the CDP Paying Agent or the CMU Lodging and Paying Agent will cause the Rate of Distribution and each Distribution Amount for each Distribution Period and the relevant Distribution Payment Date to be notified to the Issuer, the Trustee and (in the case of Perpetual Securities listed on a stock exchange) the relevant stock exchange (subject to receiving the contact details of the relevant stock exchange from the Issuer) on which the relevant Floating Rate Perpetual Securities or Index Linked Distribution Perpetual Securities are for the time being listed and notice thereof to be published in accordance with Condition 13 (*Notices*) as soon as practicable after their determination. Each Distribution Amount and Distribution Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Distribution Period. Any such amendment will be promptly notified by the Principal Paying Agent, the CDP Paying Agent or the CMU Lodging and Paying Agent to the Issuer, the Trustee and (in the case of Perpetual Securities listed on a stock exchange) to each stock exchange on which the relevant Floating Rate Perpetual Securities or Index Linked Distribution Perpetual Securities are for the time being listed and to the Securityholders in accordance with Condition 13 (*Notices*).

(f) *Determination or Calculation by Trustee*

If for any reason at any relevant time the Calculation Agent defaults in its obligation to determine the Rate of Distribution or the Calculation Agent defaults in its obligation to calculate any Distribution Amount in accordance with Condition 4.2(b)(i), Condition 4.2(b)(ii) or Condition 4.2(b)(iii) above (as the case may be) or as otherwise specified in the applicable Pricing Supplement, as the case may be, and in each case in accordance with Condition 4.2(d) above and no replacement Calculation Agent has been appointed by the Issuer within two Business Days of the relevant Interest Payment Date, the Trustee shall determine the Rate of Distribution at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any Minimum Rate of Distribution or Maximum Rate of Distribution specified in the applicable Pricing Supplement), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Trustee shall calculate the Distribution Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Calculation Agent.

(g) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4.2 (*Distribution on Floating Rate Perpetual Securities and Index Linked Distribution Perpetual Securities*), whether by the Calculation Agent or the Trustee, shall (in the absence of wilful default or manifest error) be binding on the Issuer, the Guarantor, the Trustee, the Principal Paying Agent, the Transfer Agents (if applicable), the CMU Lodging and Paying Agent (if applicable), the CDP Paying Agent (if applicable), the Registrar (if applicable), the Calculation Agent (if applicable), the other Paying Agents and all Securityholders and Couponholders and (in the absence of wilful default or manifest error) no liability to the Issuer, the Guarantor, the Securityholders or the Couponholders shall attach to the Calculation Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

4.3 Distribution on Dual Currency Distribution Perpetual Securities

The rate or amount of distribution payable in respect of Dual Currency Distribution Perpetual Securities shall be determined in the manner specified in the applicable Pricing Supplement.

4.4 Distribution on Partly Paid Perpetual Securities

In the case of Partly Paid Perpetual Securities, distribution will accrue as aforesaid on the paid-up nominal amount of such Perpetual Securities and otherwise as specified in the applicable Pricing Supplement.

4.5 Accrual of distribution

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

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

4.6 Distribution Deferral

- (a) **Optional Deferral:** If Distribution Deferral is specified as being applicable in the applicable Pricing Supplement, the Issuer may, at its sole discretion, elect to defer (in whole or in part) any distribution which is otherwise scheduled to be paid on a Distribution Payment Date to the next Distribution Payment Date by giving notice (a **Deferral Election Notice**) to the Securityholders (in accordance with Condition 13 (*Notices*)) and the Trustee and the Principal Paying Agent not more than 15 nor less than five Business Days (or such other notice period as may be specified in the applicable Pricing Supplement) prior to a scheduled Distribution Payment Date. If Dividend Pusher is specified as being applicable in the applicable Pricing Supplement, the Issuer may not elect to defer any distribution if, during such period(s) as may be specified in the applicable Pricing Supplement, either or both of the following have occurred:

- (A) a discretionary dividend, distribution or other payment has been declared by the Guarantor on or in respect of any of the Junior Obligations (as defined in the applicable Pricing Supplement) or, in relation to Subordinated Perpetual Securities only, the Parity Obligations of the Guarantor (except (i) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants or (ii) in relation to the Parity Obligations of the Guarantor on a pro-rata basis); or
- (B) the Issuer or the Guarantor has at its discretion repurchased, redeemed or otherwise acquired any of its Junior Obligations or, in relation to Subordinated Perpetual Securities only, the Parity Obligations (other than (i) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants or (ii) as a result of the exchange or conversion of its Parity Obligations for its Junior Obligations),

(a **Compulsory Distribution Payment Event**) and/or as otherwise specified in the applicable Pricing Supplement.

- (b) **No obligation to pay:** The Issuer shall have no obligation to pay any distribution (including any Arrears of Distribution and any Additional Distribution Amount) on any Distribution Payment Date if it validly elects not to do so in accordance with Condition 4.6(a) (*Optional Deferral*).
- (c) **Requirements as to Notice:** Each Deferral Election Notice shall be accompanied, in the case of the notice to the Trustee and the Principal Paying Agent and if Dividend Pusher is specified as being applicable in the applicable Pricing Supplement, by a certificate in the form scheduled to the Trust Deed signed by a director of each of the Issuer and the Guarantor confirming that no Compulsory Distribution Payment Event has occurred. Any such certificate shall be conclusive evidence that no Compulsory Distribution Payment Event has occurred and the Trustee and the Principal Paying Agent shall be entitled to rely without any obligation to verify the same and without liability to any Securityholder or Couponholder or any other person on any Deferral Election Notice or any certificate as aforementioned. Each Deferral Election Notice shall be conclusive and binding on the Securityholders and the Couponholders.
- (d) (1) **Cumulative Deferral:** If Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement, any distribution deferred pursuant to this Condition 4.6 (*Distribution Deferral*) shall constitute **Arrears of Distribution**. The Issuer may, at its sole discretion, elect to (in the circumstances set out in Condition 4.6(a) (*Optional Deferral*)) further defer any Arrears of Distribution by complying with the foregoing notice requirement applicable to any deferral of an accrued distribution. The Issuer is not subject to any limit as to the number of times distributions and Arrears of Distribution can or shall be deferred pursuant to this Condition 4.6 (*Distribution Deferral*) except that this Condition 4.6(d) (*Cumulative Deferral*) shall be complied with until all outstanding Arrears of Distribution have been paid in full.

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

- (2) **Non-Cumulative Deferral; Optional Distribution:** If Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement, any Distribution deferred pursuant to this Condition 4.6 (*Distribution Deferral*) is non-cumulative and will not accrue distribution. The Issuer is not under any obligation to pay that or any other distributions that have not been paid in whole or in part. If Optional Distribution is specified as being applicable in the applicable Pricing Supplement, the Issuer may, at its sole discretion, and at any time, elect to pay an optional amount equal to the amount of distribution which is unpaid in whole or in part (an **Optional Distribution**) at any time by giving notice of such election to the Securityholders (in accordance with Condition 13 (*Notices*)) and the Trustee and the Principal Paying Agent not more than 20 nor less than five Business Days (or such other notice period as may be specified in the applicable

Pricing Supplement) prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Optional Distribution on the payment date specified in such notice).

Any partial payment of outstanding Optional Distribution by the Issuer shall be shared by the Securityholders or Couponholders of all outstanding Perpetual Securities and the Coupons related to them on a pro-rata basis. Further provisions relating to this Condition 4.6(d)(2) (*Non-Cumulative Distribution; Optional Distribution*) may be specified in the applicable Pricing Supplement.

(e) **Restrictions in the case of Deferral:** If Dividend Stopper is specified as being applicable in the applicable Pricing Supplement and on any Distribution Payment Date, payment of all distribution payments scheduled to be made on such date is not made in full by reason of this Condition 4.6 (*Distribution Deferral*), the Issuer and the Guarantor shall not:

(A) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on:

- (1) if this Perpetual Security is a Senior Perpetual Security, any of its Junior Obligations; or
- (2) if this Perpetual Security is a Subordinated Perpetual Security, any of its Junior Obligations or Parity Obligations

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

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

- (1) if this Perpetual Security is a Senior Perpetual Security, any of its Junior Obligations; or
- (2) if this Perpetual Security is a Subordinated Perpetual Security, any of its Junior Obligations or Parity Obligations

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

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

(f) **Satisfaction of Arrears of Distribution by payment:** The Issuer:

- (A) may satisfy any Arrears of Distribution (in whole or in part) at any time by giving notice of such election to the Securityholders (in accordance with Condition 13 (*Notices*)) and the Trustee and the Principal Paying Agent not more than 20 nor less than five Business Days (or such other notice period as may be specified in the applicable Pricing Supplement) prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Arrears of Distribution on the payment date specified in such notice); and
- (B) in any event shall satisfy any outstanding Arrears of Distribution (in whole but not in part) on the earlier of:
 - (1) the date of redemption of the Perpetual Securities in accordance with the redemption events set out in Condition 5 (*Redemption and Purchase*) (as applicable);
 - (2) the next Distribution Payment Date on the occurrence of a breach of Condition 4.6(e) (*Restrictions in the case of Deferral*) or the occurrence of a Compulsory Distribution Payment Event; and
 - (3) the date such amount becomes due under Condition 9 (*Non-Payment*) or on a Winding-Up of the Issuer or the Guarantor.

Any partial payment of outstanding Arrears of Distribution by the Issuer shall be shared by the Securityholders or Couponholders of all outstanding Perpetual Securities and the Coupons related to them on a pro-rata basis. Further provisions relating to this Condition 4.6(f) (*Satisfaction of Arrears of Distribution by payment*) may be specified in the applicable Pricing Supplement.

- (g) **No default:** Notwithstanding any other provision in these Conditions or in the Trust Deed, the deferral of any distribution payment in accordance with this Condition 4.6 (*Distribution Deferral*) shall not constitute a default for any purpose (including, without limitation, pursuant to Condition 9 (*Non-Payment*)) on the part of the Issuer under the Perpetual Securities or the Guarantor under the Guarantee (as defined in the Trust Deed) or for any other purpose.

5. REDEMPTION AND PURCHASE

- (a) **No Fixed Redemption Date:** The Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Condition 3 (*Status of the Perpetual Securities and the Guarantee in respect of the Perpetual Securities*)) and without prejudice to Condition 9 (*Non-Payment*)), only have the right to redeem or purchase them in accordance with the following provisions of this Condition 5 (*Redemption and Purchase*).
- (b) **Redemption for Taxation Reasons:** The Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Trustee and the Principal Paying Agent, the CDP Paying Agent or the CMU Lodging and Paying Agent, as the case may be, and in accordance with Condition 13 (*Notices*), the Securityholders (which notice shall be irrevocable) at their Early Redemption Amount as specified in the applicable Pricing Supplement together (if appropriate) with distribution accrued to (but excluding) the date of redemption (including any Arrears of Distribution and any Additional Distribution Amount, if applicable) if (i) the Issuer (or if the Guarantee was called, the

Guarantor) has or will become obliged to pay additional amounts provided or referred to in Condition 7 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the jurisdiction of incorporation of the Issuer or the Guarantor or any political subdivision or, in each case, any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a decision of a court of competent jurisdiction) which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Perpetual Securities or the Perpetual Securities will not be regarded as “debt securities” for the purposes of Section 43N(4) of the Income Tax Act, Chapter 134 of Singapore (**ITA**) and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations, or distributions will not be regarded as interest payable by the Issuer for the purpose of the withholding tax exemption on interest for “qualifying debt securities” under the ITA or distributions will not be regarded as sums “payable by way of interest upon any money borrowed” for the purposes of Section 14(1)(a) of the ITA, and (ii) such obligation will apply on the occasion of the next payment due in respect of the Perpetual Securities and cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the Guarantor, as the case may be) would be obliged to pay such additional amounts if a payment in respect of the Perpetual Securities (or the Guarantee, as the case may be) were then due. Prior to the publication of any notice of redemption pursuant to this Condition 5(b) (*Redemption for Taxation Reasons*), the Issuer (or the Guarantor, as the case may be) shall deliver to the Trustee a certificate signed by a director of the Issuer (or the Guarantor, as the case may be) stating that the obligation referred to in (i) above cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, and an opinion, addressed to the Trustee, of independent legal or tax advisers of recognised standing to the effect that such change or amendment has occurred (irrespective of whether such amendment or change is then effective). The Trustee shall be entitled without further enquiry and without liability to any Securityholder or Couponholder or any other person to rely on such certificate and opinion and it shall be conclusive evidence of the satisfaction of the conditions precedent set out in (i) and (ii) above of this Condition 5(b) (*Redemption for Taxation Reasons*). Each such certificate and opinion shall be conclusive and binding on Securityholders and Couponholders. All Perpetual Securities shall be redeemed on the date specified in such notice in accordance with this Condition 5(b) (*Redemption for Taxation Reasons*).

- (c) **Redemption for Accounting Reasons:** If Redemption for Accounting Reasons is specified as being applicable in the applicable Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days’ notice to the Trustee and the Principal Paying Agent, the CDP Paying Agent or the CMU Lodging and Paying Agent, as the case may be, and in accordance with Condition 13 (*Notices*), the Securityholders (which notice shall be irrevocable) at their Early Redemption Amount, as specified in the applicable Pricing Supplement, together (if appropriate) with distribution accrued to the date of redemption (including any Arrears of Distribution and any Additional Distribution Amount, if applicable) if, as a result of any changes or amendments to, where applicable, Singapore Financial Reporting Standards issued by the Singapore Accounting Standards Council as amended from time to time (**SFRS**) or any other accounting standards that may replace SFRS for the purposes of the consolidated financial statements of the Guarantor as amended from time to time (the **Relevant Accounting Standards**), the Perpetual Securities and/or the Guarantee of the Perpetual Securities must not or must no longer be recorded as “equity” of the Issuer or the Guarantor pursuant to the Relevant Accounting Standards.

Prior to the publication of any notice of redemption pursuant to this Condition 5(c) (*Redemption for Accounting Reasons*), the Issuer (or the Guarantor, as the case may be) shall deliver to the Trustee a certificate signed by a director of the Issuer (or the Guarantor,

as the case may be), stating that the circumstances referred to above prevail and setting out the details of such circumstances and an opinion, addressed to the Trustee, of the Issuer's or, as the case may be, the Guarantor's independent auditors stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to the Relevant Accounting Standards is due to take effect. The Trustee shall be entitled without further enquiry and without liability to any Securityholder or Couponholder or any other person to rely on such certificate and opinion and it shall be conclusive evidence of the satisfaction of the entitlement of the Issuer to publish a notice of redemption pursuant to this Condition 5(c) (*Redemption for Accounting Reasons*). Each such certificate and opinion shall be conclusive and binding on Securityholders and Couponholders. All Perpetual Securities shall be redeemed on the date specified in such notice in accordance with this Condition 5(c) (*Redemption for Accounting Reasons*), provided that such date for redemption shall be no earlier than the last day before the date on which the Perpetual Securities must not or must no longer be so recorded as "equity" of the Issuer or, as the case may be, Guarantor pursuant to the Relevant Accounting Standards.

- (d) **Redemption at the Option of the Issuer:** If Redemption at the Option of the Issuer is specified as being applicable in the applicable Pricing Supplement, the Issuer may, on giving not less than 30 nor more than 60 days' irrevocable notice to the Trustee and the Principal Paying Agent, the CDP Paying Agent or the CMU Lodging and Paying Agent, as the case may be, and in accordance with Condition 13 (*Notices*), the Securityholders (or such other notice period as may be specified in the applicable Pricing Supplement) redeem all, or if so provided, some of the Perpetual Securities on any Optional Redemption Date at the Early Redemption Amount as specified in the applicable Pricing Supplement, together, if appropriate with distribution accrued to (but excluding) the relevant Optional Redemption Date (including any Arrears of Distribution and any Additional Distribution Amount, if applicable). Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Pricing Supplement. In the case of a partial redemption of Definitive Bearer Perpetual Securities or Definitive Registered Perpetual Securities, the Perpetual Securities to be redeemed (**Redeemed Perpetual Securities**) will be selected individually by lot, in the case of Redeemed Perpetual Securities represented by Definitive Bearer Perpetual Securities or Definitive Registered Perpetual Securities, and in accordance with the rules of Euroclear, Clearstream, Luxembourg, CDP and/or the CMU Service (as applicable), in the case of Redeemed Perpetual Securities represented by a Global Perpetual Security, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Perpetual Securities represented by definitive Perpetual Securities, a list of the serial numbers of such Redeemed Perpetual Securities will be published in accordance with Condition 13 (*Notices*) not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Perpetual Security will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 5(d) (*Redemption at the Option of the Issuer*) and notice to that effect shall be given by the Issuer to the Securityholders in accordance with Condition 13 (*Notices*) at least five days prior to the Selection Date. All Perpetual Securities in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 5(d) (*Redemption at the Option of the Issuer*).
- (e) **Redemption for Tax Deductibility Event:** If Redemption for Tax Deductibility Event is specified as being applicable in the applicable Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Trustee and the Principal Paying Agent, the CDP Paying Agent or the CMU Lodging and Paying Agent, as the case may be, and in accordance with Condition 13 (*Notices*), the

Securityholders (which notice shall be irrevocable), at their Early Redemption Amount as specified in the applicable Pricing Supplement, together, if appropriate, with distribution accrued to (but excluding) the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount, if applicable), if, the Issuer satisfies the Trustee (by delivery of the documents set out below in this Condition 5(e) (*Redemption for Tax Deductibility Event*)) immediately before giving such notice that, as a result of:

- (i) any amendment to, or change in, the laws (or any rules or regulations thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective otherwise on or after the date on which agreement is reached to issue the first Tranche of the Perpetual Securities;
- (ii) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective otherwise on or after the date on which agreement is reached to issue the first Tranche of the Perpetual Securities; or
- (iii) any applicable official interpretation or pronouncement that provides for a position with respect to such laws or regulations that differs from the previous generally accepted interpretation or position which is issued or announced on or after the date on which agreement is reached to issue the first Tranche of the Perpetual Securities or from the position advised by the Issuer's tax advisers before the date on which an agreement is reached to issue the first Tranche of the Perpetual Securities,

payments by the Issuer would no longer, or within 90 days of the date of the opinion referred to in paragraph (y) below would not be fully deductible by the Issuer for Singapore income tax purposes (**Tax Deductibility Event**), provided that no notice of redemption may be given earlier than 90 days prior to the effective date on which payments on the Perpetual Securities would not be fully tax deductible by the Issuer for Singapore profits tax.

Prior to the publication of any notice of redemption pursuant to this Condition 5(e) (*Redemption for Tax Deductibility Event*), the Issuer shall deliver or procure that there is delivered to the Trustee (x) a certificate signed by a director of the Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances and (y) an opinion of independent tax or legal advisers of recognised standing stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to the tax regime is due to take effect, and the Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above in which event it shall be conclusive and binding on the Securityholders and the Couponholders.

- (f) **Redemption in the case of Minimal Outstanding Amount:** If Minimal Outstanding Amount Redemption Option is specified as being applicable in the applicable Pricing Supplement, the Issuer may, at any time, on giving not less than 30 nor more than 60 days' irrevocable notice to the Trustee and the Principal Paying Agent, the CDP Paying Agent or the CMU Lodging and Paying Agent, as the case may be, and in accordance with Condition 13 (*Notices*), the Securityholders (or such other notice period as may be specified in the applicable Pricing Supplement) redeem the Perpetual Securities, in whole, but not in part, at their Early Redemption Amount as specified in the applicable

Pricing Supplement together (if appropriate) with distribution accrued to the date of redemption (including any Arrears of Distribution and any Additional Distribution Amount, if applicable) if, immediately before giving such notice, the aggregate principal amount of the Perpetual Securities outstanding is less than 10 per cent. of the aggregate principal amount originally issued. All Perpetual Securities shall be redeemed on the date specified in such notice in accordance with this Condition 5(f) (*Redemption in the case of Minimal Outstanding Amount*).

- (g) **Partly Paid Perpetual Securities:** Partly Paid Perpetual Securities will be redeemed, in accordance with the provisions of this Condition and the applicable Pricing Supplement.
- (h) **No Other Redemption:** The Issuer shall not be entitled to redeem the Perpetual Securities and shall have no obligation to make any payment of principal in respect of the Perpetual Securities otherwise than as provided in Condition 5(b) (*Redemption for Taxation Reasons*) and, to the extent specified in the applicable Pricing Supplement, in Conditions 5(c) (*Redemption for Accounting Reasons*), 5(d) (*Redemption at the Option of the Issuer*), 5(e) (*Redemption for Tax Deductibility Event*), 5(f) (*Redemption in the case of Minimal Outstanding Amount*) or 5(g) (*Partly Paid Perpetual Securities*), and as otherwise specified in the applicable Pricing Supplement.
- (i) **Purchases:** The Issuer, the Guarantor or any Subsidiary may at any time purchase Perpetual Securities (provided that, in the case of Definitive Bearer Perpetual Securities, all unmatured Coupons and Talons appertaining thereto are purchased therewith) in any manner and at any price in the open market or otherwise. All such Perpetual Securities may be held, reissued, resold, or at the option of the Issuer, surrendered to any Paying Agent (in the case of Bearer Perpetual Securities) or the Registrar (in the case of Registered Perpetual Securities) for cancellation.
- (j) **Cancellation:** All Perpetual Securities which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Perpetual Securities so cancelled and any Perpetual Securities purchased and cancelled pursuant to Condition 5(i) (*Purchases*) above (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold. Subject as provided in Condition 8 (*Prescription*), the obligations of the Issuer and the Guarantor in respect of such cancelled Perpetual Securities shall be discharged.

6. PAYMENTS

6.1 Method of payment

Subject as provided below:

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

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*).

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

6.2 Presentation of Definitive Bearer Perpetual Securities and Coupons

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

Fixed Rate Perpetual Securities in definitive bearer form other than Perpetual Securities held in the CMU Service (other than Dual Currency Perpetual Securities or Index Linked Perpetual Securities) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7 (*Taxation*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8 (*Prescription*)) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

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

Upon the date on which any Floating Rate Perpetual Security, Dual Currency Perpetual Security or Index Linked Perpetual Security in definitive bearer form other than Perpetual Securities held in the CMU Service becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

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

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

6.3 Payments in respect of Bearer Global Perpetual Securities

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

6.4 Payments in respect of Registered Perpetual Securities

Payments of principal in respect of each Registered Perpetual Security (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Perpetual Security at the specified office of the Registrar or any Paying Agent. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Perpetual Security appearing in the register of holders of the Registered Perpetual Securities maintained by the Registrar (the **Register**) (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear, Clearstream, Luxembourg, CDP or, as the case may be, the CMU Service, are open for business) before the relevant due date and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if (a) a holder does not have a Designated Account or (b) the principal amount of the Perpetual Securities held by a holder is less than U.S.\$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, **Designated Account** means the account (which, in the case of a payment in Japanese yen to a non resident of Japan, shall be a non resident account) maintained by a holder with a Designated Bank and identified as such in the Register and **Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of distribution in respect of each Registered Perpetual Security (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Perpetual Security appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear, Clearstream, Luxembourg, CDP or, as the case may be, the CMU Service are open for business) before the relevant due date and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day)

before the relevant due date (the **Record Date**) at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of distribution in respect of a Registered Perpetual Security, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of distribution (other than distribution due on redemption) in respect of the Registered Perpetual Securities which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the distribution due in respect of each Registered Perpetual Security on redemption will be made in the same manner as payment of the principal amount of such Registered Perpetual Security.

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

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

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

6.5 General provisions applicable to payments

The holder of a Global Perpetual Security (if the Global Perpetual Security is not lodged with the CMU Service) or (if the Global Perpetual Security is lodged with the CMU Service) the person(s) for whose account(s) interests in such Global Perpetual Security are credited as being held in the CMU Service in accordance with the CMU Rules as notified to the CMU Lodging and Paying Agent by CMU Service in a relevant CMU Instrument Position Report or any other relevant notification by the CMU Service (which notification, in either case, shall be conclusive evidence of the records of the CMU Service save in the case of manifest error), shall be the only person entitled to receive payments in respect of Perpetual Securities represented by such Global Perpetual Security and the Issuer or, as the case may be, the Guarantor will be discharged by payment to, or to the order of, the holder of such Global Perpetual Security in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg, CDP or the CMU Service, as the beneficial holder of a particular nominal amount of Perpetual Securities represented by such Global Perpetual Security must look solely to Euroclear, Clearstream, Luxembourg, CDP or the CMU Lodging and Paying Agent, as the case may be, for his share of each payment so made by the Issuer or, as the case may be, the Guarantor to, or to the order of, the holder of such Global Perpetual Security.

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

- (a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and distribution on the Perpetual Securities in the manner provided above when due;

- (b) payment of the full amount of such principal and distribution at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and distribution in U.S. dollars; and
- (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer and the Guarantor, adverse tax consequences to the Issuer or the Guarantor.

6.6 Payment Day

If the date for payment of any amount in respect of any Perpetual Security or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further distribution or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 8 (*Prescription*)) is:

- (a) in the case of Perpetual Securities denominated in a Specified Currency other than Renminbi:
 - (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (A) in the case of Perpetual Securities in definitive form only, the relevant place of presentation;
 - (B) each Additional Financial Centre specified in the applicable Pricing Supplement; and
 - (ii) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET2 System is open; and
- (b) in the case of Perpetual Securities or Coupons denominated in Renminbi, a day on which commercial banks and foreign exchange markets settle Renminbi payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in (i) the case of Perpetual Securities in definitive form only, the relevant place of presentation and (ii) Hong Kong.

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

Notwithstanding Condition 9(b), in the event that:

- (a) the Issuer and/or the Guarantor shall have duly transferred or arranged for the transfer of funds to the Agents in accordance with the terms of the Agency Agreement sufficient for the purpose of payment in full to the holders of Perpetual Securities and/or Coupons of, or otherwise duly transferred or arranged for the transfer such funds to the Trustee in accordance with the terms of the Trust Deed in satisfaction of, all the amounts due and payable on the relevant due date for payment; and

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

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

6.8 Interpretation of principal and distribution

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

- (a) any additional amounts which may be payable with respect to principal under Condition 7 (*Taxation*) or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;
- (b) the Early Redemption Amount of the Perpetual Securities; and
- (c) any premium and any other amounts (other than distribution) which may be payable by the Issuer under or in respect of the Perpetual Securities.

Any reference in the Conditions to distribution in respect of the Perpetual Securities shall be deemed to include, as applicable, any additional amounts which may be payable with respect to distribution under Condition 7 (*Taxation*) or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

7. TAXATION

All payments of principal and distribution in respect of the Perpetual Securities and Coupons by the Issuer or the Guarantor will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by

law. In such event, the Issuer or, as the case may be, the Guarantor will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Perpetual Securities or Coupons after such withholding or deduction shall equal the respective amounts of principal and distribution which would otherwise have been receivable in respect of the Perpetual Securities or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Perpetual Security or Coupon:

- (a) presented for payment in any Tax Jurisdiction; or
- (b) the holder of which is liable for such taxes or duties in respect of such Perpetual Security, or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Perpetual Security or Coupon or by the receipt of amounts in respect of such Perpetual Security or Coupon or where the withholding or deduction could be avoided by the holder making a declaration of non-residence or other similar claim for exemption to the appropriate authority which such holder is legally capable and competent of making but fails to do so; or
- (c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6.6 (*Payment Day*)); or
- (d) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (e) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Perpetual Security or Coupon to another Paying Agent in a Member State of the European Union.

As used herein:

- (i) **Tax Jurisdiction** means Singapore or any political subdivision or any authority thereof or therein having power to tax; and
- (ii) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Trustee or the Principal Paying Agent or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Securityholders in accordance with Condition 13 (*Notices*).

8. PRESCRIPTION

The Perpetual Securities and Coupons will become void unless claims in respect of principal and/or distribution are made within a period of ten years (in the case of principal) and five years (in the case of distribution) after the Relevant Date (as defined in Condition 7 (*Taxation*)) therefor.

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

9. NON-PAYMENT

- (a) **Non-payment when due:** Notwithstanding any of the provisions below in this Condition 9 (*Non-Payment*), the right to institute proceedings for Winding-Up is limited to circumstances where payment has become due. In the case of any distribution, such Distribution will not be due if the Issuer has elected to defer that distribution in accordance with Condition 4.6 (*Distribution Deferral*). In addition, nothing in this Condition 9 (*Non-Payment*), including any restriction on commencing proceedings, shall in any way restrict or limit the rights of the Trustee or any of its directors, officers, employees or agents to claim from or to otherwise take any action against the Issuer and/or the Guarantor in respect of any costs, charges, fees, expenses or liabilities incurred by such party pursuant to or in connection with the Perpetual Securities, the Coupons or the Trust Deed.
- (b) **Proceedings for Winding-Up:** If (i) an order is made or an effective resolution is passed for the Winding-Up of the Issuer or the Guarantor or (ii) subject to Condition 6.7, the Issuer shall not make payment in respect of the Perpetual Securities or the Coupons or the Guarantor shall not make payment in respect of the Guarantee, as the case may be, for a period of 15 Business Days or more after the date on which such payment is due (together, the **Enforcement Events**), the Issuer (or, as the case may be, the Guarantor) shall be deemed to be in default under the Trust Deed and the Perpetual Securities (in the case of the Issuer) and the Guarantee (in the case of the Guarantor) and the Trustee may, subject to the provisions of Condition 9(d) (*Entitlement of Trustee*), institute proceedings for the Winding-Up of the Issuer or, as the case may be, the Guarantor and/or prove in the Winding-Up of the Issuer or, as the case may be, the Guarantor and/or claim in the liquidation of the Issuer and/or the Guarantor for such payment.
- (c) **Enforcement:** Without prejudice to Condition 9(b) (*Proceedings for Winding-Up*) but subject to the provisions of Condition 9(d) (*Entitlement of Trustee*), the Trustee may at any time, at its discretion and without further notice to the Issuer or the Guarantor institute such proceedings against the Issuer and/or the Guarantor as it may think fit to enforce any term or condition binding on the Issuer and/or the Guarantor under the Perpetual Securities or the Guarantee (other than any payment obligation of the Issuer or the Guarantor under or arising from the Perpetual Securities, the Coupons or the Guarantee, including, without limitation, payment of any principal or premium or satisfaction of any Distributions (including any Arrears of Distribution and any Additional Distribution Amount) in respect of the Perpetual Securities or the Guarantee, including any damages awarded for breach of any obligations) and in no event shall the Issuer or the Guarantor, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it.
- (d) **Entitlement of Trustee:** Notwithstanding Condition 9(c) (*Enforcement*) above, the Trustee shall not and shall not be obliged to take any of the actions referred to in Condition 9(b) (*Proceedings for Winding-Up*) or Condition 9(c) (*Enforcement*) against the Issuer and/or the Guarantor to enforce the terms of the Trust Deed, the Guarantee, the Perpetual Securities or the Coupons unless (i) it shall have been so requested by an Extraordinary Resolution of the Securityholders or in writing by the Securityholders of at least 25 per cent. in principal amount of the Perpetual Securities then outstanding and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.
- (e) **Right of Securityholders:** No Securityholder or Couponholder shall be entitled to proceed directly against the Issuer or the Guarantor or to institute proceedings for the Winding-Up or claim in the liquidation of the Issuer and/or the Guarantor or to prove

in such Winding-Up unless the Trustee, having become so bound to proceed or being able to prove in such Winding-Up or claim in such liquidation, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing, in which case the Securityholder or the Couponholder shall have only such rights against the Issuer and/or the Guarantor as those which the Trustee is entitled to exercise as set out in this Condition 9 (*Non-Payment*) and Clause 9 of the Trust Deed.

- (f) **Extent of Securityholders' or Couponholders' remedy:** No remedy against the Issuer or the Guarantor, other than as referred to in this Condition 9 (*Non-Payment*) and Clause 9 of the Trust Deed, shall be available to the Trustee or the Securityholders, whether for the recovery of amounts owing in respect of the Trust Deed, the Perpetual Securities, the Coupons or the Guarantee or in respect of any breach by the Issuer or the Guarantor of any of its other obligations under or in respect of the Trust Deed, the Perpetual Securities, the Coupons or the Guarantee (as applicable).

10. REPLACEMENT OF PERPETUAL SECURITIES, COUPONS AND TALONS

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

11. PAYING AGENTS AND REGISTRAR

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

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

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

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6.5 (*General provisions applicable to payments*). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 days' prior notice thereof shall have been given to the Securityholders in accordance with Condition 13 (*Notices*).

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

12. EXCHANGE OF TALONS

On and after the Distribution Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of distribution due in respect of the Perpetual Security to which it appertains) a further Talon, subject to the provisions of Condition 8 (*Prescription*).

13. NOTICES

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

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

Until such time as any definitive Perpetual Securities are issued, there may, so long as any Global Perpetual Securities representing the Perpetual Securities are held in their entirety on behalf of (i) Euroclear, Clearstream, Luxembourg and/or CDP, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg and/or (subject to the agreement of CDP) CDP, as the case may be, for communication by them to the holders of the Perpetual Securities, or (ii) the CMU Service, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to the persons shown in a CMU Instrument Position Report issued by the

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

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

14. MEETINGS OF SECURITYHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

14.1 Meetings

The Trust Deed contains provisions for convening meetings of the Securityholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Perpetual Securities, the Coupons, the Guarantee or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer, the Guarantor or the Trustee and shall be convened by the Issuer if required in writing by Securityholders holding not less than 10 per cent. in nominal amount of the Perpetual Securities for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is two or more persons holding or representing not less than 50 per cent. in nominal amount of the Perpetual Securities for the time being outstanding, or at any adjourned meeting two or more persons being or representing Securityholders whatever the nominal amount of the Perpetual Securities so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Perpetual Securities or the Coupons or the Trust Deed (including modifying the date for payment of distribution on the Perpetual Securities thereon, reducing or cancelling the amount of principal or the rate of distribution payable in respect of the Perpetual Securities or altering the currency of payment of the Perpetual Securities or the Coupons), the quorum shall be two or more persons holding or representing not less than two-thirds in nominal amount of the Perpetual Securities for the time being outstanding, or at any adjourned such meeting two or more persons holding or representing not less than one-third in nominal amount of the Perpetual Securities for the time being outstanding. The Trust Deed does not contain any provisions requiring higher quorums in any circumstances. An Extraordinary Resolution passed at any meeting of the Securityholders shall be binding on all the Securityholders, whether or not they are present at the meeting and on all relevant Couponholders. The Trust Deed provides that a written resolution signed by or on behalf of the holders of not less than 75% of the aggregate principal amount of Perpetual Securities outstanding shall be as valid and effective as a duly passed Extraordinary Resolution.

14.2 Modifications waivers and substitution

The Trustee may agree, without the consent of the Securityholders or the Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach by the Issuer or the Guarantor of, any of the provisions of the Perpetual Securities, the Trust Deed, the Agency Agreement or any other transaction documents where, in any such case, it is not, in the reasonable opinion of the Trustee, materially prejudicial to the interests of the Securityholders so to do, or may agree, without any such consent as aforesaid, to any modification which is of a formal, minor or technical nature or is made to cure any ambiguity or correct a manifest error or an error which, in the reasonable opinion of the Trustee, is proven or to comply with mandatory provisions of the law or is required by Euroclear, Clearstream, Luxembourg, CDP and/or any other clearing system in which the Notes may be held. Any such modification shall be binding on the Securityholders and the Couponholders and any such modification shall be notified to the Securityholders in accordance with Condition 13 (*Notices*) as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Trustee shall have regard to the general distributions of the Securityholders of each Series as a class (but shall not have regard to any distributions arising from circumstances particular to individual Securityholders, or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for Securityholders or any other Series or for individual Securityholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Securityholder or Couponholder be entitled to claim, from the Issuer, the Guarantor, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Securityholders or Couponholders except to the extent already provided for in Condition 7 (*Taxation*) and/or any undertaking or covenant given in addition to, or in substitution for, Condition 7 (*Taxation*) pursuant to the Trust Deed.

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

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

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

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

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer, the Guarantor and/or any Subsidiaries and to act as trustee for the holders of any other securities issued or

guaranteed by, or relating to, the Issuer, the Guarantor and/or any Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Securityholders or Couponholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

16. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Securityholders or the Couponholders to create and issue further perpetual securities having terms and conditions the same as the Perpetual Securities or the same in all respects save for the amount and date of the first payment of distribution thereon and so that the same shall be consolidated and form a single Series with the outstanding Perpetual Securities.

17. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT

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

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

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

18. GOVERNING LAW AND SUBMISSION TO JURISDICTION

18.1 Governing law

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

- (a) if the Perpetual Securities are specified to be governed by English law in the applicable Pricing Supplement, English law, except that the subordination provisions set out in:
 - (i) Conditions 3(b)(i) to 3(b)(iii) applicable to the Issuer shall be governed by and construed in accordance with Singapore law; and
 - (ii) Conditions 3(b)(iv) to 3(b)(vi) applicable to the Guarantor shall be governed by and construed in accordance with Singapore law; or
- (b) if the Perpetual Securities are specified to be governed by Singapore law in the applicable Pricing Supplement, Singapore law.

18.2 Submission to jurisdiction

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

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

- (b) if the Perpetual Securities are specified to be governed by Singapore law in the applicable Pricing Supplement, the courts of Singapore,

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

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

18.3 Appointment of Process Agent

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

Nothing in this Condition 18.3 (*Appointment of Process Agent*) shall affect the right to serve proceedings in any other manner permitted by law.

18.4 Other documents and the Guarantor

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

19. DEFINITIONS

In these Conditions:

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

Winding-Up means, with respect to the Issuer or the Guarantor, a final and effective order or resolution for the bankruptcy, winding-up, liquidation, receivership or similar proceedings in respect of the Issuer or the Guarantor, as the case may be, under the law of any jurisdiction in which it is incorporated, domiciled or resident or carries on business or has assets.

USE OF PROCEEDS

Unless otherwise specified in the applicable Pricing Supplement, the net proceeds from the issue of each Tranche of Notes or Perpetual Securities will be used by the Group to refinance existing debts and/or to finance potential acquisition opportunities and/or for its general corporate and working capital purposes.

SUMMARY FINANCIAL INFORMATION

The following tables present summary consolidated financial information of the Group as at and for the periods indicated.

The summary consolidated financial information as at 31 December 2016 and 2015 and for the years then ended has been derived from the Group's consolidated financial statements for the year ended 31 December 2016 that have been audited by PricewaterhouseCoopers LLP (appointed with effect on 30 June 2016 for the financial year ended 31 December 2016 and onwards), and should be read in conjunction with such audited consolidated financial statements and the notes thereto, included elsewhere in this Offering Circular.

Consolidated Balance Sheet

S\$'000	Audited As at 31 December	
	2016	2015
Share capital	2,350,916	2,400,993
Reserves	6,554,854	5,742,160
Share capital and reserves	8,905,770	8,143,153
Non-controlling interests	409,854	489,443
Total equity	9,315,624	8,632,596
Represented by:		
Non-current assets		
Fixed assets	490,484	485,597
Investment properties	3,096,890	2,326,186
Amounts owing by associates and joint ventures	159,103	145,498
Intangible asset	-	1,196
Deferred tax assets	34,346	17,425
Other non-current assets	225,238	147,368
Investments		
Associates and joint ventures	2,986,447	3,272,764
Long-term investments	256,335	221,350
	3,242,782	3,494,114
	7,248,843	6,617,384
Current assets		
Properties held for sale	5,929,696	5,910,208
Stocks	2,597	5,138
Debtors	641,287	575,910
Amounts owing by holding company and related parties	797,183	74,045
Cash and cash equivalents	1,577,892	1,692,125
	8,948,655	8,257,426

S\$'000	Audited As at 31 December	
	2016	2015
Less:		
Current liabilities		
Creditors	2,241,527	2,025,353
Tax provision.....	189,201	151,985
Short-term borrowings.....	1,149,769	83,775
Amounts owing to holding company and related parties	94,141	18,030
	<u>3,674,638</u>	<u>2,279,143</u>
Net current assets	5,274,017	5,978,283
Less:		
Non-current liabilities		
Long-term borrowings	2,886,134	3,646,982
Deferred tax liabilities	234,246	229,623
Other non-current liabilities	86,856	86,466
	<u>3,207,236</u>	<u>3,963,071</u>
Net assets	<u><u>9,315,624</u></u>	<u><u>8,632,596</u></u>

Consolidated Profit and Loss Account

S\$'000	Audited For the Financial Years Ended 31 December	
	2016	2015
Sales	1,859,951	1,598,260
Costs of sales.....	(1,511,372)	(1,181,164)
Gross profit	348,579	417,096
Distribution costs	(20,098)	(10,631)
Administrative and other expenses	(102,837)	(186,934)
Other income.....	694,550	72,771
Other loss	(6,208)	-
Investment income	12,554	10,624
Interest income.....	27,149	26,183
Interest expense	(50,127)	(66,564)
Share of results of associates and joint ventures	334,767	369,182
Pre-tax profit before fair value gain on investment properties	1,238,329	631,727
Fair value gain on investment properties	62,239	97,128
Pre-tax profit after fair value gain on investment properties	1,300,568	728,855
Taxation	(133,915)	(168,154)
Profit for the year	<u>1,166,653</u>	<u>560,701</u>
Profit attributable to:		
Shareholders of the company	1,149,313	564,076
Non-controlling interests.....	17,340	(3,375)
	<u>1,166,653</u>	<u>560,701</u>

CAPITALISATION AND INDEBTEDNESS

Capitalisation of the Guarantor

The table below sets forth the Group's capitalisation and indebtedness as at 31 December 2016. The information set out in this table has been extracted from and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2016 and the notes thereto, appearing elsewhere in this Offering Circular.

	Audited As at 31 December 2016 S\$'000
Borrowings	
Short-term (maturity within 1 year).....	1,149,769
Long-term (maturity after 1 year)	2,886,134
Total borrowings	<u>4,035,903</u>
Equity	
Share capital	2,350,916
Reserves	6,554,854
Equity attributable to owner of KLL	8,905,770
Non-controlling interests	409,854
Total equity	<u>9,315,624</u>
Total capitalisation and indebtedness⁽¹⁾	<u>13,351,527</u>

Note:

(1) Total capitalisation and indebtedness represents the sum of total borrowings and total equity.

Save as indicated above, there has been no material change in the capitalisation and indebtedness of the Group since 31 December 2016.

DESCRIPTION OF KEPPEL LAND FINANCIAL SERVICES PTE. LTD.

KLFS was incorporated on 16 June 2000 with limited liability under the laws of the Republic of Singapore. It is a wholly-owned subsidiary of the Guarantor.

Its principal activities are the provision of financial services to the companies within the Group. Apart from the issue of Securities under the Programme, KLFS may enter into other transactions for the purpose of raising funds to meet the funding requirements of the Group.

Registered Office

The registered office of KLFS as at the date of this Offering Circular is at 1 HarbourFront Avenue, #18-01 Keppel Bay Tower, Singapore 098632.

Shareholding and Capital

As at the date of this Offering Circular, the issued and fully paid up share capital of KLFS is S\$2 comprising two ordinary shares.

Directors

As at the date of this Offering Circular, the Directors of KLFS are:

- (1) Ang Wee Gee; and
- (2) Lim Kei Hin.

Financial Information

The following table presents the audited balance sheet of KLFS as at 31 December 2016. The audited balance sheet of KLFS has been derived from the financial statements of KLFS for the year ended 31 December 2016 that have been audited by PricewaterhouseCoopers LLP (appointed with effect on 30 June 2016 for the financial year ended 31 December 2016 and onwards), and should be read in conjunction with such audited financial statements and the notes thereto, included elsewhere in this Offering Circular.

	Audited As at 31 December 2016 S\$'000
Share capital	-*
Retained earnings	15,021
Total equity	<u>15,021</u>
Represented by:	
Non-current assets	
Loans to related companies	1,295,653
Derivative financial instruments	44,525
	<u>1,340,178</u>
Current assets	
Debtors	6
Loans to related companies	1,268,147
Amounts owing by related companies	35,900
Cash and cash equivalents	354,090
	<u>1,658,143</u>

**Audited
As at
31 December 2016
S\$'000**

Less:

Current liabilities

Creditors	737
Tax provision.....	701
Amounts owing to holding and related companies	854,271
	855,709

Net current assets 802,434

Less:

Non-current liability

Long-term borrowings	2,127,591
Net assets	15,021

* Denotes amount less than S\$1,000.

DESCRIPTION OF KEPPEL LAND LIMITED

Keppel Land is a leading property company in Asia and a multi-faceted property player, focused on being a developer with one of the highest return on equity in Asia. Keppel Land is the property division of the Keppel Corporation Limited (**Keppel Corporation**) group of companies (the **Keppel Group**), one of Singapore's largest multinational groups with key businesses in offshore and marine, property, infrastructure and investments, and is committed to providing solutions for sustainable urbanisation.

Keppel Land was privatised and delisted from the SGX-ST with effect from 16 July 2015. As of the date of this Offering Circular, the issued and fully paid of share capital of Keppel Land is S\$2,360,737,590.75 comprising 1,535,581,235 ordinary shares and Keppel Corporation holds 100% of the issued share capital of Keppel Land.

Pursuant to a consolidation of Keppel Corporation's interests in its business trust management, real estate investment trust management and fund management businesses under Keppel Capital Holdings Pte. Ltd. (**Keppel Capital**), a wholly-owned subsidiary of Keppel Corporation, Keppel Land had in 2016 divested its stakes in the manager of Keppel Real Estate Investment Trust (**Keppel REIT**) and Alpha Investment Partners Limited (**Alpha**) to Keppel Capital. Keppel Land continues to hold about 45% of the units in Keppel REIT and maintain its investments in various funds under Alpha, which will continue to provide Keppel Land with investment opportunities in new markets and recurring income as well as potential divestment gains from investment properties in Singapore and overseas.

Keppel Land is geographically diversified in Asia, with Singapore and China as its core markets as well as Vietnam and Indonesia as its growth markets. Profit contribution from overseas markets ranged between 14% to 56% of the Group's net profit in the last five years from 2012 to 2016. Several of Keppel Land's residential and commercial properties in Singapore have won prestigious awards, including the FIABCI Prix d'Excellence Awards, Building and Construction Authority (BCA) Green Mark Awards and Euromoney Real Estate Awards.

Keppel Land is Asia's premier home developer, with a pipeline of about 66,000 homes in Singapore and overseas as at 31 December 2016. The company is also a leading prime office developer in Singapore, contributing to enhancing the city's skyline with landmark developments such as Marina Bay Financial Centre, Ocean Financial Centre and One Raffles Quay. Keppel Land is committed to grow its commercial portfolio in key Asian cities such as Shanghai, Beijing and Tianjin in China, Ho Chi Minh City in Vietnam, Jakarta in Indonesia, Yangon in Myanmar and Manila in Philippines.

History

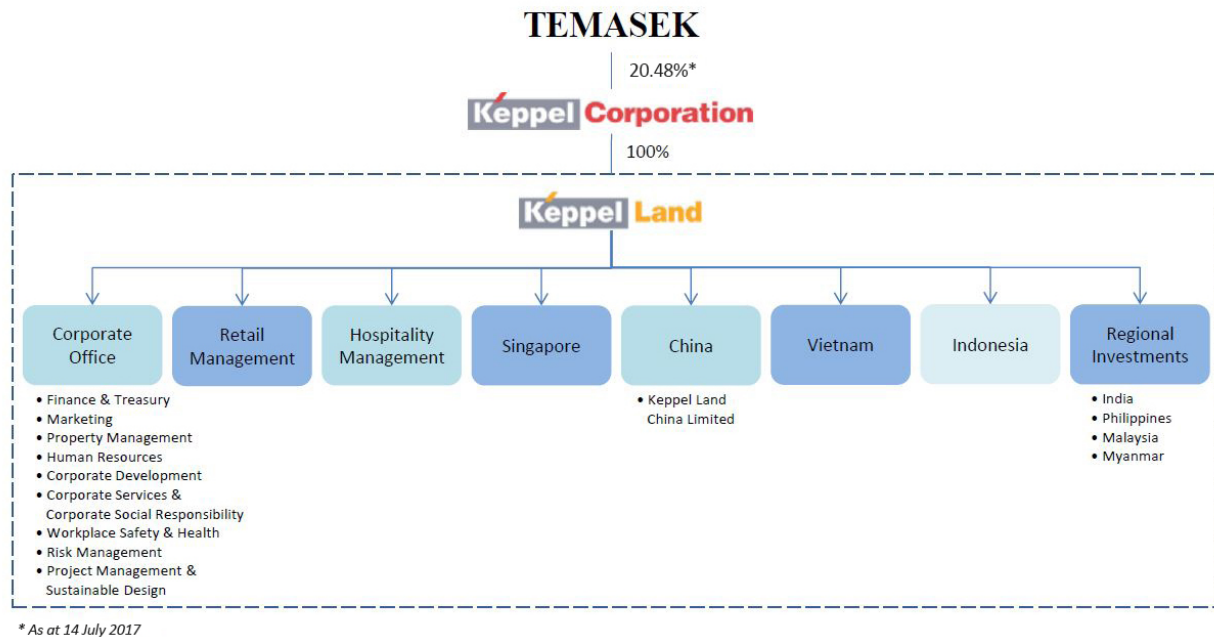
Keppel Land was incorporated in 1890 as Straits Steamship Company Limited, a ship operator and owner. In 1973, Straits Steamship Company diversified into new businesses such as property, warehousing and distribution as well as leisure. In 1983, Straits Steamship Company became a subsidiary of Keppel Corporation after Keppel Corporation acquired a controlling 58% shareholding in the company from its parent, Ocean Transport and Trading Limited of Liverpool, United Kingdom.

In the late 1980s, Straits Steamship Company made several major acquisitions in Singapore for office, residential, warehouse and recreational project developments. Simultaneously, it also expanded its presence in Asia. In 1989, when property became its core business activity, it was renamed Straits Steamship Land Limited.

In February 1997, in a Keppel Group-wide exercise to adopt a common identity, Straits Steamship Land Limited was renamed Keppel Land Limited.

Corporate Structure

The following diagram sets forth an overview of the Group's organisation showing its principal functions:



Business Strategy

The key components of Keppel Land's strategies are as follows:

(i) Focus on core competencies

Keppel Land intends to build on its business of property development for sale by focusing on the residential and commercial sectors in which it has a competitive edge. Keppel Land has a proven track record in iconic residential projects, such as Caribbean at Keppel Bay, Reflections at Keppel Bay and Corals at Keppel Bay in Singapore, as well as landmark office developments such as Ocean Financial Centre, Marina Bay Financial Centre and One Raffles Quay in Singapore, Saigon Centre (Phase 1) in Ho Chi Minh City, Vietnam, and International Financial Centre Jakarta Tower 2 in Indonesia.

Keppel Land is also developing large-scale residential townships in Asia to tap on the demand for quality housing from the growing middle class population. With the trend in Asia gravitating towards holistic live-work-play communities, it is well-positioned to capture opportunities in the building of integrated and sustainable mixed-use developments in the region. Keppel Land is also actively expanding its commercial portfolio and will continue to seek growth opportunities through strategic acquisitions and divestments.

Residential

Keppel Land remains focused on the residential property market, continuing to develop its existing landbank into quality housing while seeking new opportunities in existing and new markets. Leveraging sustained economic growth, home ownership aspirations, favourable demographics, growing affluence and urbanisation trends in Asia, Keppel Land has continued its expansion in the development of quality housing in Keppel Land's core markets of Singapore and China as well as growth markets of Vietnam and Indonesia.

Keppel Land will continue to buy land selectively, while recognising that a land banking strategy may only work in certain markets as current land prices in some markets may not provide good risk-adjusted returns for developers.

Commercial

Keppel Land is a reputable developer of prime commercial buildings in Singapore and overseas. These include Ocean Financial Centre, Marina Bay Financial Centre and One Raffles Quay in Singapore, Saigon Centre (Phase 1) in Ho Chi Minh City, Vietnam, International Financial Centre Jakarta Tower 2 in Indonesia and Junction City Tower (Phase 1) in Yangon, Myanmar. Prime commercial projects under development overseas include an office development in the heart of Beijing's central business district (**CBD**) in the Chaoyang District, Seasons City in Tianjin and Park Avenue Central in Shanghai, China, Saigon Centre (Phases 2&3 and 4&5) and Empire City in Ho Chi Minh City, Vietnam, International Financial Centre Jakarta Tower 1 in Indonesia, Junction City Tower (Phase 2) in Yangon, Myanmar, and SM-KL Project (Phase 2) in Mandaluyong City, the Philippines.

To transfer its knowledge and experience in the development of award-winning office buildings such as One Raffles Quay and Ocean Financial Centre in Singapore to its overseas unit, Keppel Land formed Keppel Land Office Management in April 2016. Keppel Land Office Management will provide advisory services on the planning, development and management to all of Keppel Land's office and mixed-use developments. In addition, Keppel Land continues to monitor the real estate markets closely to capitalise on suitable opportunities for the acquisition of good quality assets.

(ii) Invest selectively overseas to take advantage of growth cities and different property cycles

As a developer, Keppel Land seeks to strike a balance between concentration and diversification into different geographies and segments. While diversification provides a counterweight when some markets or segments are down, being focused in a few markets allows it to build scalable platforms to compete against strong local and international players.

To enhance its growth and earnings potential and reduce over-reliance on any single market, Keppel Land invests selectively overseas, focusing on China, Vietnam and Indonesia where there is continued demand for good quality housing to meet the rising home aspirations of the growing middle-class population. To meet this demand, Keppel Land has scaled up its residential and township developments in Asia including Shanghai, Tianjin, Chengdu, Wuxi, Ho Chi Minh City and Jakarta. Keppel Land has also expanded its commercial presence in overseas markets such as China, Vietnam, Indonesia and Myanmar.

In China, Keppel Land will continue to scale up in high-growth cities, with a focus on Shanghai, Beijing, Tianjin, Chengdu and Wuxi where it has established strong track records, networks and local teams. Keppel Land will also focus on growing its commercial presence in Tier 1 cities. This will reduce Keppel Land's exposure to cyclical downturns in Singapore, where approximately 43% of its total assets of S\$16.2 billion were located as at 31 December 2016. In 2016, Keppel Land sold approximately 3,800 homes in China, accounting for approximately 65% of the total 5,720 homes sold in that year. Home sales achieved in China in 2016 were about 16% higher than approximately the 3,280 homes sold in 2015, backed by the easing of home purchase restriction across Shanghai, Tianjin, Chengdu and Wuxi.

Keppel Land has been building its reputation and track record as a choice home developer in China for over two decades. To strengthen and build on Keppel Land's strong network and track record in 10 cities across China, Keppel Land China Limited (**Keppel Land China**), a wholly-owned subsidiary of Keppel Land was established in September 2010 to own and operate Keppel Land's properties in China. As at 31 December 2016, Keppel Land China contributed approximately 41% of the Group's total assets and has over 20 projects as well as a pipeline of about 33,000 homes.

Apart from its key markets in Asia, the Group will also invest strategically and opportunistically in new platforms and markets with good growth potential. In 2014, Keppel Land partnered Macklowe Properties to invest in a prime residential development in New York City, USA. In February 2015, Keppel Land entered into a sales and purchase agreement with Aberdeen Property Trust for a freehold nine-storey office building in the City of London, UK. Situated in London's CBD, the office building is close to the city's historic and financial centre, where the Bank of England and other prominent financial institutions are also located. Both developments are managed by Alpha, a wholly-owned subsidiary of Keppel Capital.

To shorten the property development cycle, Keppel Land also selectively acquires certain completed assets, adds value to them through asset enhancement and then divests them when opportune. This provides Keppel Land with access to prime real estate within land-scarce, gateway cities. In 2016, Keppel Land and Alpha divested their 80% stake in the company which owns the mixed-use development, Life Hub @ Jinqiao in Shanghai, for US\$517 million. The divestment was based on the property's sale value of RMB 5.5 billion, a significant premium over the original purchase price of RMB 3.3 billion in 2013. Through innovative asset management and enhancement efforts, Keppel Land China and Alpha together contributed to growing a profitable mall with high occupancy and good international retailers.

(iii) Expand its commercial portfolio and ride on the expertise of its retail management arm

Keppel Land is actively expanding its commercial portfolio to capitalise on the rising demand for prime office and retail space in Asia as well as to grow a steady recurring income stream to balance the cyclical nature of the property development business. As at 31 December 2016, Keppel Land has over a million square metres of gross floor area under development. These projects will be progressively completed and will contribute to Keppel Land's recurring income, and eventually, to revaluation and divestment gains when they are monetised.

Through its interest in Keppel REIT and its investments in various funds managed by Alpha, Keppel Land also enjoys investment opportunities in new markets and recurring income as well as divestment gains from investment properties. Together, Keppel REIT and Alpha have total assets under management of approximately S\$19.6 billion as at 31 December 2016.

Keppel Land Retail Management Pte Ltd (**Keppel Land Retail Management**), the retail management arm of Keppel Land, offers a full range of professional real estate solutions in Asia, encompassing retail consultancy and development, marketing and leasing as well as asset and property management services. Keppel Land will harness the strengths of Keppel Land Retail Management to grow its commercial portfolio. In line with this, Keppel Land China acquired a newly completed retail mall in Jiading District in Shanghai in 2016. Positioned as a community retail centre, the mall, with a total gross floor area of 40,927 square metres, is expected to open in the first half of 2018 after renovation works are completed.

(iv) Recycle capital for higher returns

Keppel Land constantly reviews the assets in its portfolio to actively recycle capital for higher returns. By seeking to turn its inventory more, Keppel Land can right-size its property book and redeploy capital for its other growth businesses.

In 2016, Keppel Land announced 11 divestments in Singapore and overseas totalling approximately S\$680 million. These included the sale of stakes in Life Hub @ Jinqiao, a mixed-use development in Shanghai, China, International Centre and Sedona Suites in Hanoi, Vietnam, The Belvedere in Colombo, Sri Lanka, Sedona Hotel Mandalay, Jiangyin Yangtze International Country Club in Jiangyin, Jiangsu Province, China, Keppel Thai Properties as well as township developments, The Botanica in Chengdu and Central Park City in Wuxi.

At the same time, Keppel Land seized opportunities proactively to redeploy its funds and scale up its presence in high growth cities. In 2016, Keppel Land made investments of about S\$460 million, including in its key markets of China, Vietnam and Indonesia.

(v) Forge strategic partnerships overseas

Keppel Land's strategy includes forging strategic partnerships overseas. Where the company has found reputable partners, it has deepened its relationships and increased its scope of cooperation and engagement on different platforms.

In China, following Keppel Land and China Vanke's joint venture on a residential project in Singapore, their second collaboration, V City in Chengdu, has yielded good results, and is one of Keppel Land's top selling projects.

In Vietnam, Keppel Land raised its investment in Nam Long Investment Corporation (**NLG**), a leading affordable housing developer in Ho Chi Minh City, in 2016 through the subscription of VND 500 billion convertible bonds due in 2020. This is in addition to the 7.1 million new shares in NLG which Keppel Land subscribed in 2015. In March 2017, Keppel Land also signed a memorandum of understanding with Vietnam's State Capital Investment Corporation to collaborate on investment opportunities in Vietnam.

In Indonesia, Keppel Land entered into a joint venture with PT Metropolitan Land Tbk, one of Indonesia's leading property developers, to build 450 landed homes on a 12-hectare site in Tangerang, Greater Jakarta.

In Myanmar, Keppel Land extended its partnership with reputable conglomerate Shwe Taung Group for Phase 2 of Junction City in Yangon.

(vi) Focus on sustainability and innovation

Keppel Land's strategy also includes distinguishing itself from its competitors by focusing on sustainability and innovation in its continued drive for excellence. Keppel Land has continued to receive international recognition for corporate excellence, quality and sustainability. It was named the Best Overall Developer in Singapore, Vietnam and Myanmar at the Euromoney Real Estate Awards 2016. At the Global Real Estate Sustainability Benchmark 2016, Keppel Land was ranked first in the Residential (Global), China and East Asia sectors, as well as third among developers globally. Keppel Land China was conferred the Top 10 ASEAN Companies in China award for the fourth consecutive year by the China-ASEAN Business Council, while Junction City Tower and Sedona Hotel Yangon's Inya Wing received accolades at the Myanmar Property Awards 2016.

Keppel Land is also focusing on six of the 17 United Nations' Sustainable Development Goals which are most aligned with its business. They are Goal 3: Good Health and Wellness, Goal 9: Industry, Innovation and Infrastructure, Goal 11: Sustainable Cities and Communities, Goal 12: Responsible Consumption and Production, Goal 13: Climate Action and Goal 17: Partnerships for the Goals.

Adopting a proactive approach towards environmental protection, Keppel Land has set the benchmark for all new projects in Singapore to achieve at least a BCA Green Mark Gold^{Plus} rating, as well as the minimum BCA Green Mark Gold rating or its equivalent rating for all its new projects overseas. To date, Keppel Land has garnered a total of 65 BCA Green Mark Awards for its developments in Singapore, China, Vietnam, Indonesia, India and Myanmar including 10 Platinum Awards, nine Gold^{Plus}, 40 Gold and six Certified Awards. The Estella and Riviera Cove in Ho Chi Minh City were the first two properties to be conferred the Green Mark Award in Vietnam.

In the area of innovation, Keppel Land introduced in 2016, Habitap, a mobile application which seamlessly integrates smart home features, management of condominium facility bookings as well as lifestyle services, to some of its projects in Singapore. Keppel Land was the first developer in Singapore to leverage state-of-the-art Oculus Rift technology to create a 360-degree immersive virtual reality experience for visitors at the Highline Residences show gallery to showcase different configurations and apartment types. Virtual reality technology has also been implemented in Keppel Land's show galleries in Vietnam.

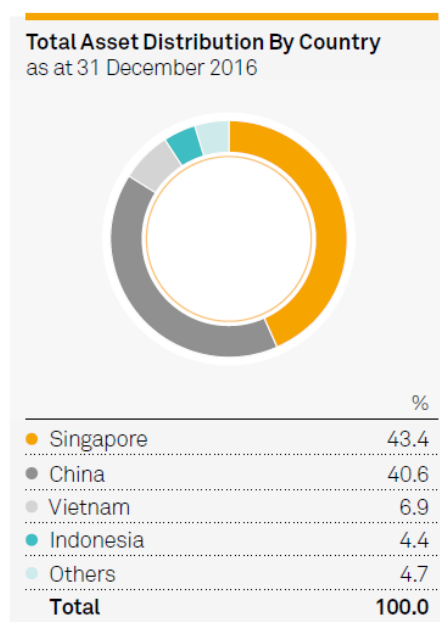
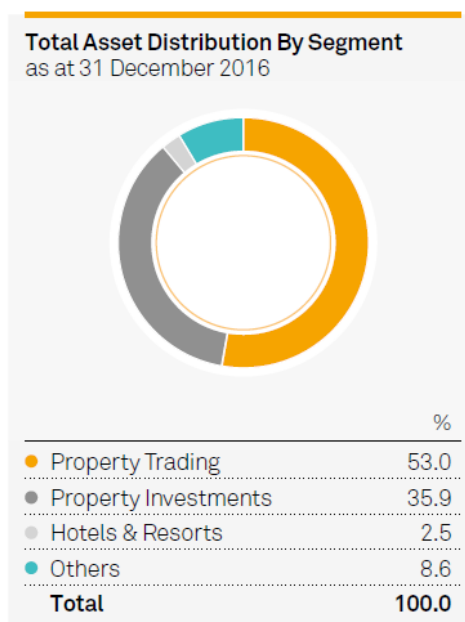
Competitive Strengths

Keppel Land's principal competitive strengths include:

Diversified property business

Keppel Land is a leading developer of premier residential developments and investment-grade commercial properties in Asia. Keppel Land believes that the size and diversity of its property business across different market segments and geographical locations aid in the mitigation of any adverse impact on certain segments of the property market or in particular cities or countries in the region, while also allowing for cross-selling to existing customers of Keppel Land. Keppel Land has continued to strengthen

its presence in its core markets of Singapore and China as well as growth markets of Vietnam and Indonesia. It has also seized opportunities in emerging markets such as Myanmar and invested in global gateway cities with good growth potential.



Strong financial profile

Keppel Land has a strong balance sheet of approximately S\$1.6 billion in cash as at 31 December 2016. The Group's total assets have grown from S\$14.9 billion as at 31 December 2015 to S\$16.2 billion as at 31 December 2016. For the years ended 31 December 2016 and 2015, Keppel Land achieved net profits of S\$1.1 billion¹ and S\$564.1 million respectively, and a revenue of S\$1.9 billion and S\$1.6 billion respectively. Keppel Land has maintained low net gearing levels over the years, giving it the financial capability and flexibility to fund its development projects through internal and external resources. It receives revenue from residential and commercial development sales and recurring income from property investment. Besides the traditional loan facilities, the Programme will provide a further avenue of funding for the Group as and when Securities are issued under the Programme.

Synergies across the Keppel Group

Keppel Land is also working closely with Keppel Group's other business units in order to harness the synergies of being part of a multi-business group.

Alpha launched the Alpha Data Centre Fund, which collaborates with Keppel Data Centres Holding Pte. Ltd. (**KDCH**), a 30-70 joint venture between Keppel Land and Keppel Telecommunications & Transportation Ltd (**Keppel T&T**), to capture investment opportunities riding on the growth in demand for data centres. Set up to invest in brownfield and greenfield assets across key data centre hubs in Asia Pacific and Europe, Alpha manages the fund and works with Keppel T&T to create or acquire assets. KDCH will develop and project manage the data centres in the fund as well as serve as the facility manager.

As an example of how green resources within the Keppel Group are shared, Keppel Land purchases renewable energy from Keppel Infrastructure Holdings Pte. Ltd. (**Keppel Infrastructure**) to power its corporate office at Bugis Junction Towers. The renewable energy is harvested from photovoltaic panels installed in premises operated by Keppel Infrastructure, which is then transferred to Keppel Land.

¹ Net profit for the year ended 31 December 2016 includes S\$563 million gain from the divestment of Keppel Land's fund management business to Keppel Capital.

Proven track record and strong brand awareness

Keppel Land has a strong and proven track record in Singapore and in Asia. It is recognised as a reputable developer of quality housing and premier commercial properties in Asia. Over the years, Keppel Land has built an excellent showcase of quality residential and commercial developments in Asia, which have earned the confidence and trust of many local and international homebuyers and tenants. Many of these developments have won prestigious awards for their outstanding designs and high quality standards.

Extensive sales channel and strong marketing strategy

Keppel Land has an experienced management team with good execution skills to chart its business direction. It has experience in executing large-scale residential and commercial projects as well as integrated townships. Together with sound business strategies and strong market presence, Keppel Land will continue to leverage its core competencies and skill set to deliver sustainable earnings and asset growth.

Deal flow capability

Keppel Land believes that its ability to source projects in regional markets is a key strength. This is due to its project evaluation and risk assessment capabilities. Keppel Land's stringent project selection process has enabled it to concentrate on large, high quality projects.

Good network of offices in Asia

Keppel Land has established a local presence in almost all the countries in Asia where it operates. As such, Keppel Land is equipped with local knowledge which allows for quick responses to market opportunities and changes. Keppel Land and its subsidiaries has also built good working relationships with local authorities and established strong business networks in each operating country, all of which helps significantly in project origination and execution.

Risk management capabilities and strong corporate governance

Keppel Land maintains a robust risk management system to anticipate and meet challenges as well as seize business opportunities in a dynamic business environment. The exposure to each country and project and their relative impact on earnings, cash flows and financial position are monitored on an ongoing basis. The Group's holistic approach to identifying and managing risks instils a strong risk ownership across Keppel Land and reduces uncertainties associated with executing its strategies, allowing Keppel Land to harness opportunities with agility.

Keppel Land maintains rigorous internal controls and commits to high standards of corporate governance to maximise long-term shareholder value and protect its assets.

The Board, supported by the Audit and Risk Committee, reviews the adequacy and effectiveness of the Group's risk management framework and internal controls, including financial, operational, compliance and information technology controls, to ensure that robust risk management and strong internal controls are in place and there is effective management of risks of fraud and other irregularities.

Business

Other than property development, Keppel Land also holds about 45% of Keppel REIT and maintains its investment in various funds under Alpha. In addition, it has a retail management arm through Keppel Land Retail Management and owns and manages several hotels, serviced apartments and resorts.

The consolidated revenue and net profit contribution from the principal business segments and geographical segments of the Group for the years ended 31 December 2016 (**FY2016**) and 2015 (**FY2015**), respectively, are set out below:

S\$' million	Revenue		Net Profit	
	Audited FY2016	Audited FY2015	Audited FY2016	Audited FY2015
By Business Segments				
Property Trading	1,697.5	1,350.3	180.4	195.7
Property Investment	23.8	35.7	202.0	115.3
Fund Management	54.5	105.3	28.3	54.3
Hotels and Resorts	57.3	64.2	(9.0)	(5.0)
Others	26.9	42.8	8.4	(38.5)
Sub-total	1,860.0	1,598.3	410.1	321.8
Gain from Disposal of Subsidiaries/Fair Value Gain on Investment Properties/Write-back of Impairment	-	-	735.0 ¹	230.5
Other Gains	-	-	4.2	11.8
Total	1,860.0	1,598.3	1,149.3	564.1
By Geographical Segments				
Singapore	707.7	422.2	158.6	139.3
Overseas	1,152.3	1,176.1	251.5	182.5
Sub-total	1,860.0	1,598.3	410.1	321.8
Gain from Disposal of Subsidiaries/Fair Value Gain on Investment Properties/Write-back of Impairment	-	-	735.0 ¹	230.5
Other Gains	-	-	4.2	11.8
Total	1,860.0	1,598.3	1,149.3	564.1

The Group's diversified property portfolio, comprising primarily office buildings, residential properties, hotels and resorts as well as serviced apartments, are owned through its subsidiaries and associated companies.

Property Development

Property development, comprising property trading and property investment, is the largest source of revenue for the Group. For the years ended 31 December 2016 and 2015, revenues from property development amounted to S\$1,721.3 million and S\$1,386 million, representing 93% and 87% of the Group's total revenues respectively.

Development of properties usually entails four phases: land acquisition, project development and construction as well as marketing. The typical development cycle for vacant land is approximately three to four years, whereas the development cycle for large-scale housing, mixed-use and township developments can be longer and varies from country to country.

The Group is actively involved in all four phases of the development process in order to control costs, schedule and maintain high standards of quality for its projects. Through its subsidiaries and associated companies, Keppel Land oversees and largely performs all aspects of its development operations, including the selection of sites for acquisition and development, preparation of feasibility studies, obtaining government approvals for zoning and modifications, the design and construction of projects, as well as the marketing, leasing and management of projects.

Other than the four markets that the company focuses on, the Group also owns assets in other countries in Asia including Malaysia, Myanmar and the Philippines.

¹ Net profit for FY2016 includes S\$563 million gain from the divestment of Keppel Land's fund management business to Keppel Capital.

A description of the activities undertaken by Keppel Land in Singapore and the other countries in which it operates is set out below:

Residential Properties

The Group is a leading property developer of quality residential properties in Asia. In 2016, the Group sold a total of approximately 380 residential units in Singapore and close to 5,340 units overseas, mostly in China and Vietnam. This was approximately 25% higher than the 4,570 units sold in 2015.

Singapore

In 2016, Keppel Land completed the construction of two major developments, Corals at Keppel Bay and The Glades. Corals at Keppel Bay is a 366-unit condominium designed by world-renowned master architect Daniel Libeskind. The Glades, a 726-unit condominium located near the Tanah Merah MRT station, is Keppel Land's first joint venture project with China Vanke in Singapore.

In July 2017, Keppel Land, through its wholly owned subsidiary, Corson Pte. Ltd., and its joint venture partner, Wing Tai Land Pte. Ltd., through its wholly owned subsidiary, Wingjoy Investment Pte. Ltd., topped the bids submitted to the Urban Redevelopment Authority (**URA**) for a 99-year leasehold prime residential site in Serangoon North Avenue 1 for a total consideration of S\$446.28 million. The partners plan to develop over 600 homes on the 1.7-hectare site.

The table below describes Keppel Land's current launches of residential properties in Singapore:

Property	Location	Percentage Owned (%)	Total No. of Units	Units Launched	Launched Units Sold as at 30 June 2017 (%)	Tenure
Highline Residences	Tiong Bahru	100	500	498	77	99-year leasehold
Corals at Keppel Bay	Keppel Bay Drive	100	366	366	69	99-year leasehold
The Glades	Tanah Merah	70	726	726	98	99-year leasehold
Reflections at Keppel Bay	Keppel Bay View	100	1,129*	960	97	99-year leasehold

*Includes 151 units set aside for corporate residences.

Landbank

Property	Location	Estimated No. of Units	Tenure
Keppel Bay Plot 6	Keppel Bay	86	99-year leasehold
Keppel Bay Plot 4	HarbourFront Avenue	234	99-year leasehold

Overseas

As home ownership aspirations, favourable demographics and urbanisation trends continue, Keppel Land plans to prudently continue its expansion drive in the housing sector in its overseas focus markets of China, Vietnam and Indonesia.

China: The Group's portfolio of residential properties in China includes, amongst others, the projects in the Park Avenue precinct in Shanghai and in the Sino-Singapore Tianjin Eco-City. The Group is also developing Keppel Cove, a residential development with a mix of villas and apartments, as well as integrated marina lifestyle facilities in Zhongshan City, and V-City, a residential development with retail facilities in Chengdu.

Vietnam: Keppel Land's portfolio of residential properties includes Palm City, Riviera Cove, Riviera Point and Estella Heights in Ho Chi Minh City.

Keppel Land is also developing Empire City, a 14.6-hectare waterfront development situated in the Thu Thiem New Urban Area, the future CBD of Ho Chi Minh City. Empire City will yield about 2,800 luxury high-rise residences, Grade A office space, prime retail space as well as an 86-storey integrated mixed-use tower complex. Phase 1, Linden Residences, comprising 510 units, was launched in December 2016, and the second phase, Tilia Residences, was also launched in early July 2017.

In 2015, Keppel Land, through its indirect subsidiary Ibeworth Pte. Ltd., subscribed for 7.1 million new ordinary shares in NLG, a leading affordable housing developer in Ho Chi Minh City. This represents an approximately 5% stake of NLG, at a purchase consideration of about VND140 billion. In 2016, Keppel Land subscribed for VND500 billion convertible bonds due in 2020 with a coupon rate of 7% per annum issued by NLG. Keppel Land may convert the bond into ordinary shares of NLG, subject to conversion conditions. Should the total principal amount of the bonds be converted into shares, Keppel Land would hold up to approximately 15% in the enlarged share capital of NLG.

Indonesia: Keppel Land's high-rise condominium development in Indonesia is located along the Jakarta Outer Ring Road and close to West Jakarta's CBD. Keppel Land is also developing 442 landed homes in Tangerang which is located within the established Metland Puri Township in Greater Jakarta.

The table below describes Keppel Land's current launches of residential properties overseas:

Country	Property	Percentage Owned (%)	Total No. of Units	Units Launched	Launched Units Sold as at 30 June 2017 (%)
Chengdu, China	Park Avenue Heights	100	1,535	1,392	98
	V City	35	5,399	3,979	93
Shanghai, China	8 Park Avenue	99	918	918	96
	Seasons Residences	100	1,102	1,028	99
	Sheshan Riviera	100	217	47	9
Nantong, China	Waterfront Residences	100	1,199	111	56
Wuxi, China	Waterfront Residences	100	1,481	298	50
Tianjin, China	Tianjin Eco-City	100	4,294	2,612	99
	Waterfront Residences	100	341	339	98
	Serenity Villas	100	340	340	70
Jiangyin, China	Stamford City	99	1,478	1,125	93
Shenyang, China	The Seasons	100	2,794	450	69
Kunming, China	Hill Crest Residences	69	263	166	73
	La Quinta II	69	62	62	89
Ho Chi Minh City, Vietnam	Empire City	40	2,813	510	95
	Riviera Cove	100	96	96	95
	Riviera Point	75	2,400	894	89
	Estella Heights	98	872	872	92
	Palm City	42	6,084	951	98
Jakarta, Indonesia	West Vista at Puri	100	2,855	424	46
New York, the United States	The Residences at 200 East 59	82	68	10	30

Residential Townships

The Group is also developing large-scale residential townships in Asia to capitalise on the demand for quality housing from the growing middle-class population. Over 50% of the Group's 43,000 residential units in China are located in residential townships and large-scale developments that are integrated with retail, commercial and leisure components. In Vietnam, over 70% of the Group's 24,000 residential units are located in residential townships and large-scale developments.

In China, these include Seasons Park, Seasons Garden, Seasons Residences and Seasons Heights in the Sino-Singapore Tianjin Eco-City and The Seasons in Shenyang. In Vietnam, these include Palm City and Saigon Sports City in Ho Chi Minh City as well as Dong Nai Waterfront City in Dong Nai. In Johor Bahru, the Group is also developing the Taman Sutera and Taman Sutera Utama townships.

Commercial Properties

In Singapore, Keppel Land, through its 45% interest in Keppel REIT, owns a portfolio of premier office buildings in the Raffles Place and Marina Bay financial district such as Ocean Financial Centre and Marina Bay Financial Centre.

Outside Singapore, Keppel Land has commercial property investments in China, Vietnam, Indonesia, Myanmar, the Philippines and the United Kingdom.

The Group's long-term intention is to divest its commercial investment properties to obtain divestment gains.

Commercial Portfolio in Singapore

Keppel Land owns, develops and manages a number of commercial buildings in Singapore. It currently has a commercial portfolio of approximately 1 million square feet of gross floor area in Singapore.

The Group's major office properties in Singapore include:

Property	Percentage Owned (%)	Estimated Total Gross Floor Area (square feet)
Keppel Bay Tower	100	450,377
Keppel Towers and Keppel Towers 2	100	569,903

Overseas Commercial Properties

Outside Singapore, the Group is developing commercial buildings with an estimated 910,800 square metres of gross floor area in China, Vietnam, Indonesia, Myanmar and the Philippines.

The Group's major overseas commercial properties under development include:

Property	Percentage Owned (%)	Estimated Total Gross Floor Area (square metres)
Commercial (Office and Retail) Development in Chaoyang District in Beijing's CBD	51	104,800
Park Avenue Central, Shanghai	99	115,900
Seasons City, Tianjin Eco-City	55	161,800
International Financial Centre Jakarta Tower 1	100	92,500
Estella Heights, Ho Chi Minh City – Retail	98	37,000

Property	Percentage Owned (%)	Estimated Total Gross Floor Area (square metres)
Empire City, Ho Chi Minh City		
- Office	40	86,400
- Retail	40	106,000
Junction City Tower (Phase 2), Yangon	40	50,000
SM-KL Project Phase 2, Manila		
- Office	27	110,100
- Retail	27	46,300

In June 2017, Keppel Land China, through its wholly-owned subsidiary, Joysville Investment Pte Ltd, entered into a joint venture agreement to acquire shares in Vision (III) Pte. Ltd. (**Vision III**), representing an eventual 30% stake in Vision III, which holds an indirect 100% stake in SOHO Hongkou. Alpha's Alpha Asia Macro Trends Fund (**AAMTF**) III will hold a 40% stake and the remaining 30% stake will be held by its co-investor. SOHO Hongkou is a completed mixed-used development in Shanghai comprising one 29-storey office tower with 65,304 square metres of total leasable area and a 2-storey retail podium with 4,738 square metres of total leasable area.

Investments

In July 2016, Keppel Land completed the divestment of its stakes in Keppel REIT Management Limited, the manager of Keppel REIT, and Alpha to Keppel Capital, the asset management arm of the Keppel Group. Nonetheless, through Keppel REIT and Alpha's funds, Keppel Land continues to enjoy investment opportunities in new markets and recurring income as well as potential divestment gains from investment properties. As at the date of this Offering Circular, Keppel Land holds approximately 45% of the units of Keppel REIT and is an investor in several funds managed by Alpha. Together, both Keppel REIT and Alpha have total assets under management of approximately \$19.6 billion as at 31 December 2016.

Keppel REIT

Sponsored by Keppel Land, Keppel REIT (formerly known as K-REIT Asia) was listed on the SGX-ST on 28 April 2006 following a distribution *in specie* of units to shareholders of Keppel Land. Keppel REIT's objective is to generate stable income and long-term growth for its unitholders by owning and investing in a portfolio of quality income-producing commercial real estate and real estate-related assets in Singapore and pan-Asia.

As at 31 December 2016, Keppel REIT had a market capitalisation of S\$3.4 billion and portfolio value of approximately S\$8.4 billion. Keppel REIT's existing portfolio comprises interests in eight premium office assets with 11 office towers strategically located in the CBDs of Singapore, and key cities of Sydney, Melbourne, Brisbane and Perth in Australia.

The commercial properties located in Singapore are: Bugis Junction Towers (100% interest), One Raffles Quay (one-third interest), Marina Bay Financial Centre (comprising Office Towers 1, 2 and 3 and the subterranean mall, Marina Bay Link Mall) (one-third interest) and Ocean Financial Centre (99.9% interest). In Australia, Keppel REIT has four commercial properties: 8 Chifley Square in Sydney (50% interest), 8 Exhibition Street in Melbourne (50% interest in the office building and two retail units as well as a 100% interest in the three adjoining retail units), 275 George Street in Brisbane (50% interest) as well as the David Malcolm Justice Centre in Perth (50% interest).

Keppel REIT's assets under management grew to approximately S\$8.4 billion as at 31 December 2016, compared with about S\$0.6 billion in 2006.

Alpha Investment Partners Limited

Alpha is a real estate investment advisory firm managed by a team of established professionals with proven fiduciary experience and Keppel Land has invested in several funds managed by Alpha including, amongst others, AAMTF II and AAMTF III. Riding on the success of the first fund, AAMTF, AAMTF II was formed with its first closing in 2011. AAMTF II carries a similar investment mandate as AAMTF and focuses on executing proven profitable real estate strategies that leverage prominent macro trends in Asia. AAMTF III is the third in the AAMTF series, launched in response to demand from existing investors.

Keppel Data Centre Holdings and Keppel DC REIT

Keppel Land is also involved in the growth of the Keppel Group's data centre business through its 30% stake in KDCH and its 4.9% stake in Keppel DC REIT. As a result of these investments, Keppel Land has stakes in data centres in key data centre hubs across Asia Pacific and Europe. In addition, Alpha manages the Alpha Data Centre Fund and works with Keppel T&T to create or acquire assets. KDCH develops and project manages the data centres in the Alpha Data Centre Fund and serves as the facility manager.

Retail Management

To strengthen its retail capabilities, Keppel Land acquired a 75% stake in Array Real Estate Pte Ltd in January 2015, which it subsequently renamed Keppel Land Retail Management. Keppel Land Retail Management offers a full range of professional real estate solutions in Asia, encompassing retail consultancy and development, marketing and leasing as well as asset and property management services. With a retail development and management platform, Keppel Land will be able to harness its collective competencies to capitalise on opportunities in integrated mixed-use and retail developments to grow its commercial portfolio.

Keppel Land Retail Management's portfolio includes the following:

	Property	Gross Floor Area (square metres)
Singapore	I12 Katong	26,140
	Heartland Mall	11,302
	Wisteria Mall	10,931
China	Park Avenue Central, Shanghai	33,000
	Retail component in Sheshan Riviera, Shanghai	6,603
	Retail mall in Jiading District, Shanghai	40,927
	Seasons City, Tianjin	80,564
	Park Avenue Heights, Wuxi	59,000
Taiwan	TaiMall Shopping Centre, Taoyuan	94,951
	Syntrend Creative Park, Taipei	62,180
Vietnam	Estella Place, Ho Chi Minh City	37,000
Total		462,598

Hotels and Resorts Ownership and Operations

Keppel Land Hospitality Management Pte Ltd (**Keppel Land Hospitality Management**), the hospitality arm of Keppel Land, operates a portfolio of hotels, serviced apartments, golf courses and marinas across Asia.

Keppel Land Hospitality Management's portfolio includes the following:

Country	Property Name	Description
Singapore	Residences at Reflections	151 apartments
	Marina at Keppel Bay	168 berths
Kunming, China	Spring City Golf & Lake Resort	Two 18-hole golf courses, 73 guest rooms and 530 resort homes
Tianjin, China	Eco-City International Country Club	18-hole golf course
Zhongshan, China	Marina at Keppel Cove	Integrated resort and marina under development
Ho Chi Minh City, Vietnam	Sedona Suites Ho Chi Minh City	89 apartments and another 195 apartments under development
Bintan, Indonesia	Ria Bintan Golf Club	9- and 18- hole golf courses and 31 rooms
	Club Med Ria Bintan*	302 rooms
Batam, Indonesia	Nongsa Point Marina and Resort*	65 berths and 192 rooms
Yangon, Myanmar	Sedona Hotel Yangon	797 rooms
	Sedona Suites Yangon	260 serviced apartments under development
Mandalay, Myanmar	Sedona Hotel Mandalay [#]	251 rooms

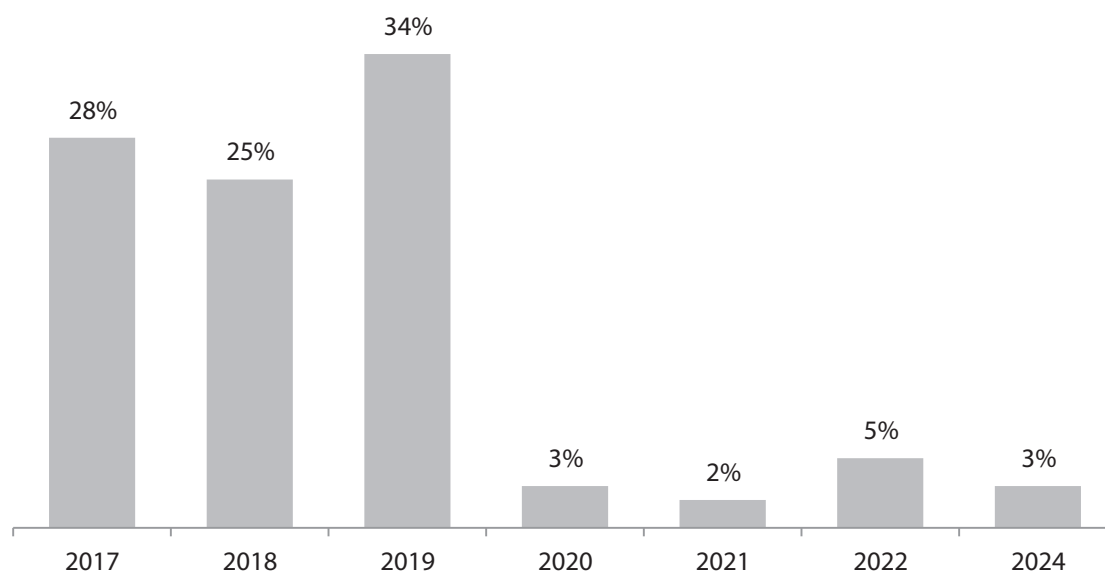
* Keppel Land has equity stakes in these properties which are not managed by Keppel Land Hospitality Management.

[#] Keppel Land has divested its 100% stake on 28 July 2017. Keppel Land Hospitality Management will continue to be the operator for the hotel until 31 August 2017.

Capital Management

The Group adopts a prudent approach towards capital management and closely monitors its gearing, debt servicing and the maturity profile of its borrowings.

As at 31 December 2016, the Group had approximately S\$4.0 billion of total borrowings comprising short-term borrowings of S\$1.1 billion and long-term borrowings of S\$2.9 billion. In addition, Keppel Land has a debt maturity profile of an average maturity of 2.1 years with not more than 35% of total debt maturing in any year, and maintains a balance of fixed and floating rate debt. The debt maturity profile of the Group as at 31 December 2016 is set forth in the chart below:



Note:

The figures above denote the Group's total borrowings as at 31 December 2016 falling due during each of the periods specified above.

The Group's net debt position and financial ratios are also presented below:

	As at/For the Financial Year Ended 31 December 2016
Net Debt (S\$' billion)	2.5
Net Debt/Equity Ratio (times)	0.26
Weighted Average Interest Rate of Borrowings (%)	2.8
Interest Cover Ratio ¹ (times)	14.4

Note:

¹ In the calculation of interest cover, fair value gain on investment properties has been excluded. Net interest cost, comprising net interest expense taken to the profit and loss account and interest capitalised under investment properties, properties held for sale and fixed assets, has been used.

Competition

Property Development: In Singapore, the Group competes with other property companies to attract and retain commercial tenants and to sell its residential properties. The Group benchmarks itself against major competitors such as publicly-listed property companies in Singapore as well as certain international property developers and private property companies. In the commercial property market, the Group stands out for its well-located and quality green developments as well as its service offerings. In the residential property market, the Group competes on the basis of the location, quality as well as the thoughtful design of its developments. The Group has focused primarily on developing prime or centrally located residential properties and selected suburban properties located near key transport nodes and other facilities.

Overseas: The competitive environment in Asia varies across countries. The Group's overseas property business competes with both domestic and international companies. Notwithstanding that the domestic companies overseas have extensive knowledge of the local property market, Keppel Land has established market presence in the various countries of operation such as China and Vietnam, where it has gained substantial market knowledge. Keppel Land intends to leverage its extensive business network and good rapport with the local authorities to further grow its overseas operations.

Regulation

The real estate business in Singapore is subject to significant government regulation over, among other things, land and title acquisition, development planning and design, construction and mortgage financing and refinancing. For overseas markets such as China, the government has sought to regulate or reduce property speculation through measures such as the adoption and enforcement of regulations and the imposition of credit controls, taxes and fees, which could reduce property sales and affect property values.

Employees

As at 31 December 2016, the Group has approximately 3,760 employees.

The Group believes its employees are critical to its success and is committed to investing in the development of its employees through continuous training as well as the creation of opportunities for career growth.

Insurance

The Group is covered by insurance policies arranged through reputable insurance brokers and with reputable independent insurance companies which principally cover material damage to property, business interruption and public liability and other risks. The Group believes that it has adequate insurance coverage with insurance scope, coverage and financial limits that are commercially reasonable and appropriate for a group of its size and activities in the real estate industry.

There are, however, certain types of losses (such as from wars and loss of business from negative effects of economic conditions) that generally are not insured because they are either uninsurable or insuring against them is not economically viable. Should an uninsured loss or a loss in excess of insured limits occur, the Group could lose capital invested in the property, as well as anticipated future revenue and may result in the imposition of civil or criminal penalties, for example, personal injury, loss of life or environmental damage.

Environmental Matters and Compliance

The operations of the Group are subject to regulatory requirements and potential liabilities arising under applicable environmental laws and regulations.

Keppel Land believes that each member of the Group is in compliance with all material aspects of the environmental laws applicable to it and its operations, and there are no pending or regulatory or other proceedings against any member of the Group in connection with any environmental law.

The Group's guiding philosophy is that properties should be developed to harmonise and improve the environment as well as enhance the quality of life of the people who use them. This principle drives the design and development of all the Group's projects. Besides making conscious efforts to ensure minimal negative impact on the environment, Keppel Land's properties are intended to enhance the environment locally and overseas with its green initiatives, energy and water conservation and recycling programmes.

Keppel Land achieved the ISO14001 certification in October 2008 for its property development and property management operations in 2008 and 2009 respectively. The scope of certification was extended to its property development operations in China and Vietnam in 2009, which obtained independent certifications in 2011 and 2013 respectively.

In 2013, the scope was further extended to include Keppel Land's property development operations in Indonesia. The company renewed its certification for its operations in Singapore, China, Vietnam and Indonesia in 2014.

To further enhance its management performance, Keppel Land has implemented an Integrated Management System which combines the ISO 14001, ISO 9001 and OHSAS 18001 standards on environmental management, quality management and occupational health and safety management respectively into a single framework for its Singapore operations in 2014, which was subsequently rolled out to China in 2015 and Vietnam in 2016.

Ocean Financial Centre also became the first building in Southeast Asia to achieve the Platinum Level LEED-CS certification.

Legal Proceedings

The Group is not party to any litigation which it believes would, indirectly or directly as a whole, have a material adverse effect on its business, financial condition, prospects or results of operations.

MANAGEMENT

INFORMATION ON DIRECTORS AND SENIOR MANAGEMENT OF KEPPEL LAND

Directors and Management

The Board of Directors of Keppel Land (the **Board**) is responsible for the overall management and direction of the Group. The day-to-day operations are entrusted to the Chief Executive Officer of Keppel Land and a team of executive officers who are responsible for the different functions of the Group.

Board of Directors

Mr Loh Chin Hua

Mr Loh was appointed a Director and Chairman of Keppel Land on 1 July 2012 and 1 January 2014 respectively. He was appointed the Chief Executive Officer and Executive Director of Keppel Corporation with effect from 1 January 2014, after having served since 1 January 2012 as its Chief Financial Officer.

Within the Keppel Group, and in addition to Keppel Land, Mr Loh is the Chairman of several other companies. They include Keppel Offshore & Marine Ltd, the world's leading designer and builder of offshore rigs; Keppel Infrastructure, which offers energy and related infrastructure in key markets in Singapore and abroad; Keppel T&T, a leading service provider of logistics and data centre solutions; Keppel Capital, the Group's asset management division; and Alpha, the real estate fund management arm of Keppel Capital.

Mr Loh also holds directorships in several Keppel companies, namely, Keppel FELS Limited and Keppel Shipyard Limited. In addition, he is a Board Member of the Singapore Economic Development Board, a member of the Board of Trustees of the National University of Singapore and a Council Member of the Singapore Business Federation.

Mr Loh joined the Keppel Group in 2002 and founded Alpha, where he served as Managing Director. Prior to this, he was the Managing Director at Prudential Investment Inc, leading its Asian real estate fund management business.

He began his career with the Government of Singapore Investment Corporation (**GIC**), where he held key appointments in its San Francisco and London offices, before returning to Singapore to head the Asian real estate group.

A Colombo Plan Scholar with a Bachelor in Property Administration from Auckland University and a Presidential Key Executive MBA from Pepperdine University, Mr Loh is also a CFA® charterholder.

Mr Ang Wee Gee

Mr Ang joined the Group in 1991, and was appointed as a Director and Chief Executive Officer of Keppel Land on 1 January 2013.

Prior to his appointment as the Chief Executive Officer of Keppel Land, Mr Ang held senior management positions in the Group. He was the Executive Vice Chairman of Keppel Land China, a wholly-owned subsidiary of Keppel Land which was formed in 2010 to own and operate Keppel Land's businesses in China. Prior to that, he was Executive Director and Chief Executive Officer, International of Keppel Land International Limited, responsible for the Group's overseas businesses. He was also the Chairman of Keppel Philippines Properties, Inc. which is listed on the Philippine Stock Exchange. In addition, Mr Ang was the Chairman of Keppel Thai Properties Public Company Limited, which was previously listed on The Stock Exchange of Thailand. He was also the Group's country head for Vietnam as well as the head of Keppel Land Hospitality Management. He previously held positions in business and project development for Singapore and overseas markets, and corporate planning in the Group's hospitality arm.

Prior to joining the Group, Mr Ang acquired diverse experience in the hotel, real estate and management consulting industries in the United States, Hong Kong and Singapore.

He is a Director of Keppel Land Hospitality Management and a number of other subsidiary companies and associated companies in the Group. They include Keppel Land China, Keppel Capital, Alpha, Keppel Land Retail Management and Keppel REIT Management Limited (the manager of Keppel REIT).

Mr Ang is currently a member of the Board of the Building and Construction Authority of Singapore.

Mr Ang holds a Master of Business Administration Degree from Imperial College, University of London. He received his Bachelor of Science Degree summa cum laude from the University of Denver, USA.

Mr Tan Yam Pin

Mr Tan was appointed to the Board on 1 June 2003. A Chartered Accountant by profession, he retired as the Managing Director of the Fraser and Neave Group in October 2002.

He is a Director of Great Eastern Holdings Limited, Great Eastern Life Assurance (Malaysia) Berhad and Overseas Assurance Corporation (Malaysia) Berhad and is the Deputy Chairman of the Singapore Public Service Commission. He was a former Board Member of BlueScope Steel Limited (Australia) until November 2013.

Mr Tan was awarded the Public Service Star in 1999 and the Public Service Star (Bar) in 2010.

Mr Tan holds a Bachelor of Arts (Honours) Degree in Economics from the University of Singapore and a Master of Business Administration Degree from the University of British Columbia, Canada. He is a Fellow of the Canadian Institute of Certified Accountants, Canada.

Mr Edward Lee Kwong Foo

Mr Lee was appointed to the Board on 1 July 2006.

He became Singapore's Ambassador to Indonesia in 1994 and retired on 1 July 2006 after 36 years of service with the Foreign Service Branch of the Singapore Administrative Service in various senior positions across Asia-Pacific.

Since his first posting to Indonesia in 1974, Mr Lee served a total of 18 years in the Singapore Embassy in Jakarta. He also served as Ambassador to the Philippines from 1990 to 1993, as well as High Commissioner to Brunei Darussalam from 1984 to 1990.

For his long-standing contributions to the Public Service, Mr Lee was honoured with several accolades including the Public Administration Medal (Silver) in 1996, the Public Administration Medal (Gold) in 1998, the Long Service Medal in 1997, and the Meritorious Service Medal in 2006.

In 1993, Mr Lee was conferred the diplomatic rank of Datu (Grand Cross) of the Order of Sikatuna by the Philippine Government in recognition of his efforts in promoting bilateral relations between the Philippines and Singapore.

In 2007, he was conferred the highest civilian award by the Indonesian Government, the Bintang Jasa Utama (the Star of Excellent Services) for his many years of contribution towards building up stronger and closer relations between Singapore and Indonesia.

Mr Lee is a member of the National University of Singapore President's Advancement Advisory Council and sits on the boards of various listed and unlisted companies.

Mr Lee holds a Bachelor of Arts (Honours) Degree from the University of Singapore, and a Master of Arts Degree from Cornell University.

Mrs Koh-Lim Wen Gin

Mrs Koh was appointed to the Board on 20 January 2010. She was also a Director of Keppel Land China from 1 October 2010 to 30 September 2013.

Mrs Koh has played a key role in shaping Singapore's cityscape through her career with URA. She was URA's Chief Planner and Deputy Chief Executive Officer between 2001 and 2008.

Mrs Koh was involved in a variety of high quality landmark developments which have contributed to Singapore's growth as a global city. She was also instrumental in spearheading the nation's building conservation programme covering more than 6,800 heritage buildings. The programme was awarded the prestigious Global Award for Excellence by the Urban Land Institute in 2006.

For her achievements, Mrs Koh was presented the Meritorious Service Medal in 2009, the Public Administration Medal (Gold) in 2002, and the Public Administration Medal (Silver) in 1986.

Mrs Koh has also served on several statutory boards such as the STB Hotel Licencing Board, Land Transport Authority Board, Board of Architects, Singapore, and Preservation of Monuments Board. She has also chaired many URA Design Advisory Panels, Committees and Design Competition Juries. She continues to serve as a Board Member of the National Parks Board, Sentosa Development Corporation Board and is the Chairwoman of Sentosa Cove Resort Management Pte Ltd.

Mrs Koh graduated with a Bachelor of Architecture Degree from the University of Singapore.

Mr Yap Chee Meng

Mr Yap was appointed to the Board on 2 December 2013.

He was the Chief Operating Officer of KPMG International for Asia Pacific and a member of its Global Executive Team. Prior to his appointment as the regional Chief Operating Officer of KPMG International in 2010, he was a Senior Partner in KPMG Singapore, the Regional Head of Financial Services in Asia Pacific, and Country Head of Real Estates and Specialised REITs Group in Singapore.

In his career spanning 37 years of experience in the financial sector, Mr Yap has served in the committees of various professional and regulatory bodies including Singapore's Accounting & Corporate Regulatory Authority and the Institute of Certified Public Accountants of Singapore.

Mr Yap is currently the Non-Executive Chairman of AXA Insurance Pte Ltd. Mr Yap also holds directorships in several companies including RHB Investment Bank Berhad, RHB Securities Singapore Pte Ltd, SATS Ltd, The Esplanade Co Ltd and Pavilion Gas Pte Ltd.

He qualified as a UK Chartered Accountant in 1981, and is now a non-practising Fellow of the Institute of Singapore Chartered Accountants and a non-practising Fellow of the Institute of Chartered Accountants in England & Wales.

Professor Huang Jing

Professor Huang was appointed to the Board on 1 January 2014.

He is a Professor and Director of Centre on Asia and Globalisation at the Lee Kuan Yew School of Public Policy, National University of Singapore (**NUS**) and the first Lee Foundation Chair Professor of US-China Relations at NUS. He was a Senior Fellow for foreign policy studies at Brookings Institution and taught at Harvard University, Utah State University and Stanford University.

Professor Huang was a Residential Fellow at the Rockefeller Foundation Bellagio Centre, and is a Richard von Weizsäcker Fellow with Robert Bosch Stiftung. He also serves as a Senior Overseas Economic Analyst for Xinhua News Agency.

He is also on the Board of Fujitsu-JAIMS Foundation in Japan, the Advisory Board of the Center on China and Globalization as well as the European-House Ambrosetti. In addition, he is on the Steering Committee of the NUS Research Institute in Suzhou, and is part of the Global Agenda Council at the World Economic Forum.

Mr Chan Hon Chew

Mr Chan is the Chief Financial Officer of Keppel Corporation, appointed with effect from 1 February 2014.

Prior to joining Keppel Corporation, Mr Chan was with Singapore Airlines Limited (**SIA**) and served as Senior Vice President (**SVP**) of Finance since June 2006. As SVP Finance, Mr Chan was responsible for a diverse range of functions including investor relations, corporate accounting and reporting, treasury, risk management and insurance. He was also involved in SIA's strategic planning process and had represented SIA as Director on the Boards of various companies including Tiger Airways and Virgin Atlantic Airways Limited.

Prior to SIA, Mr Chan was Assistant General Manager for Finance and Corporate Services at Wing Tai Holdings Limited where he oversaw all financial matters as well as tax, legal and corporate secretarial functions from 1998 to 2003.

Mr Chan was elected to the Council of the Institute of Singapore Chartered Accountants in July 2013.

Mr Chan is the Chairman of Keppel DC REIT Management Pte Ltd (the manager of Keppel DC REIT). His other principal directorships include Keppel Infrastructure, Keppel Offshore & Marine Ltd, Keppel T&T and Krisenergy Ltd.

He is also a member of the Board of the Singapore Accountancy Commission and the Accounting Standards Council Singapore.

Mr Willy Shee Ping Yah

Mr Shee was appointed to the Board on 15 October 2016.

He was the Chairman of CBRE, Asia, from 2005 to 2016 and has been with the CBRE group of companies for more than 40 years. Upon his retirement on 30 June 2016, Mr Shee was appointed non-executive Senior Advisor to CBRE.

Before CBRE, Mr Shee was the Acting Deputy Chief Valuer at the Singapore Inland Revenue Authority. He was the Founder Director for NTUC Choice Homes Co-operative Ltd, a subsidiary of Singapore National Trade Union Congress, set up to develop executive condominiums, private apartments and commercial properties for the public, trade union and co-operative members.

Mr Shee is currently a director of NTUC Fairprice Co-operative Ltd, Mercatus Co-operative Ltd and Bund Center Investment Ltd and had previously served as Director of Ascendas Pte Ltd, Sunway REIT Management Sdn Bhd and SLF Properties Pte Ltd.

A Colombo Plan Scholar from the University of Auckland, Mr Shee is a Fellow Member of the Singapore Institute of Directors and the Singapore Institute of Surveyors and Valuers. He is also an Honorary Advisor (Valuation) to the Real Estate Developers' Association of Singapore.

Senior Management

Mr Ang Wee Gee

Mr Ang is currently a Director and the Chief Executive Officer of Keppel Land.

Mr Lim Kei Hin

Mr Lim was appointed the Chief Financial Officer of the Group on 9 July 2007. He also oversees Corporate Services & Corporate Social Responsibility in addition to Finance and Information Technology.

Prior to joining the Group, he was with SIA and has more than 20 years of diverse experience having served in different financial and general management roles in Singapore, the Philippines, Australia and the United States. His last appointment was the Chief Financial Officer of Singapore Airport Terminal Services Limited.

He is a Director of a number of subsidiary and associated companies of the Group.

Mr Lim holds a Bachelor of Science (Economics) Degree in Accounting & Finance (Honours) from the London School of Economics & Political Science, UK.

Mr Ng Ooi Hooi

Mr Ng joined the Group in 2007, and is currently President, Singapore, overseeing the Group's investment and development operation in Singapore. He is also concurrently a Director of Keppel Land Hospitality Management. From 2013 to 2017, he was President, Regional Investments of Keppel Land, overseeing investment and developments in India, Myanmar, Thailand, the Philippines, Sri Lanka and Middle East. Prior to that, he was General Manager, Regional Head (and before that, General Manager, Business Development) of Keppel Land China. From 2008 to 2011, Mr Ng was deployed as Deputy Chief Executive Officer of the Sino-Singapore Tianjin Eco-City Investment and Development Co Ltd.

Prior to joining the Group, Mr Ng served 22 years in the Singapore Administrative Service, and held key appointments in several government ministries and statutory boards, including the Ministry of Home Affairs, Ministry of Communications and Information, Ministry of Information and the Arts, Ministry of Trade and Industry, Ministry of National Development, Ministry of Defence, Ministry of Law, Singapore Land Authority, and Ministry of Transport.

Mr Ng is a Director of a number of subsidiary and associated companies of the Group.

Mr Ng holds a Master Degree in Public Administration from Harvard University, and a Bachelor of Economics (First Class Honours) Degree from the Australian National University.

Mr Ben Lee Siew Keong

Mr Lee is the President of Keppel Land China. He was previously General Manager, Operations (and before that, General Manager, Business Development) of Keppel Land China. Based in Shanghai since 2007, Mr Lee currently oversees the business operations of all the projects in various cities in China (including Shanghai, Beijing, Tianjin, Chengdu, Wuxi, Nantong, Jiangyin, Shenyang, Kunming and Zhongshan).

Prior to joining the Group, Mr Lee was Senior Investment Manager in one of China's largest state-owned property company, Poly Property Group, doing business development and investment in China. He also worked as a Marketing Manager with Citibank N.A. in Singapore. He started his career as a project manager in the construction industry.

Mr Lee is a Director of a number of subsidiary and associated companies of the Group.

Mr Lee holds a Bachelor of Science (Building) (Second Class Upper Honours) from National University of Singapore, and a Master of Applied Finance from the University of Western Sydney.

Mr Linson Lim Soon Kooi

Mr Lim joined the Group in 1995, and is currently President, Vietnam. He was appointed Country Representative, Vietnam for Keppel Corporation in August 2016.

In 2005, Mr Lim was conferred the Certificate of Merit by H.E. Phan Van Khai, then Prime Minister of Vietnam and H.E. Dao Dinh Binh, then Minister of Transport of Vietnam for his contribution to the joint ventures of Sedona Suites, Royal Park in Hanoi, and Saigon Centre in Ho Chi Minh City (HCMC) respectively. In 2008, he was conferred Insignia of HCMC by H.E. Le Hoang Quan, Chairman of HCMC People's Committee for his contribution and relationship with the city.

He is the General Director of Keppel Land Vietnam Company Limited and also a Director of a number of subsidiary and associated companies of the Group. Mr Lim is also a Board Director of NLG.

Mr Lim holds a Bachelor of Engineering Degree from Monash University, Australia, and is member of the Institute of Engineers, Malaysia.

Mr Goh York Lin

Mr Goh joined the Group in 1994, and is currently President, Indonesia, overseeing the Group's development and investments in Indonesia. Prior to the current appointment, he was President, Myanmar, responsible for the business development and asset management activities in Myanmar. Before his relocation to Yangon in June 2013, Mr Goh was Executive Director, Asset Management at Alpha.

Mr. Goh started his real estate career as a Building Surveyor and Valuer with Colliers International. With over 25 years of experience in real estate development and investment, of which 22 years is with the Group, he has conducted developments and investments throughout Asia including China, Hong Kong, Indonesia, Japan, Singapore, South Korea and Vietnam.

Mr Goh is a Director of a number of subsidiary and associated companies of the Group.

He holds a Bachelor of Science (Honours) degree in Building Surveying from Salford University, UK and a Master of Business Administration from University of Tasmania, Australia.

Mr Sam Moon Thong

Mr Sam joined the Group in 2003 and is currently President, Regional Investments, overseeing the Group's business in India, Thailand, Myanmar, Malaysia, the Philippines, Sri Lanka and Middle East. His previous appointments include President, Indonesia, overseeing the Group development and investments in Indonesia as well as General Manager, Investment, overseeing business development and asset management activities outside China and Singapore. Mr Sam has over 20 years of experience in investing and managing real estate projects in the Asia Pacific region.

Prior to joining the Group, Mr Sam was Vice-President, Real Estate Development and Investment, at Ascendas Pte Ltd and Business Development Manager at Frasers Centrepoint Limited, overseeing business development and investment in South-East Asia, South Asia and China. He started his career with the Urban Redevelopment Authority where he held responsibilities in the Land Management and Sale of Sites Departments.

Mr Sam is a Director of a number of subsidiary and associated companies of the Group.

He holds a Bachelor of Science (Estate Management) (Honours) Degree from National University of Singapore, and a Master of Business Administration Degree from the University of Dubuque, Iowa, USA.

TAXATION

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the IRAS and MAS 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 or guidelines, occurring after such date, which changes could be made on a retroactive basis. These laws, guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Offering Circular are intended or are to be regarded as advice on the tax position of any holder of the Securities or of any person acquiring, selling or otherwise dealing with the Securities or on any tax implications arising from the acquisition, sale or other dealings in respect of the Securities. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Securities and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Securities are advised to consult their own professional tax advisers as to the tax consequences of the acquisition, ownership of or disposal of the Securities, including, in particular, the effect of any foreign, state or local tax laws to which they are subject to. It is emphasised that none of the Issuers, the Guarantor, the Arrangers and any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the 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 that distributions made under each tranche of the Perpetual Securities will be regarded as interest payable on indebtedness and holders thereof may therefore enjoy the tax concessions and exemptions available for qualifying debt securities (QDS), provided that the other conditions for the QDS scheme are satisfied. If any tranche of the Perpetual Securities is not regarded as “debt securities” for the purposes of the ITA and/or holders thereof are not eligible for the tax concessions under the QDS scheme, the tax treatment to holders may differ. Investors and holders of any tranche of the Perpetual Securities should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of any tranche of the Perpetual Securities.

Singapore Taxation

Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

- (A) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore); or (ii) deductible against any income accruing in or derived from Singapore; or
- (B) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15.00% final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17.00%. The applicable rate for non-resident individuals is currently 22.00%. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by

such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15.00%. The rate of 15.00% may be reduced by applicable tax treaties.

Certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

- (A) interest from debt securities derived on or after 1 January 2004;
- (B) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and
- (C) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession in Singapore.

In addition, as the Programme as a whole was arranged by DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch and Standard Chartered Bank, Singapore Branch, each of which was a Financial Sector Incentive (Bond Market) Company (as defined in the ITA) at such time, any tranche of the Securities which are debt securities issued under the Programme from the date of this Offering Circular to 31 December 2018 (**Relevant Securities**) would be QDS for the purposes of the ITA, to which the following treatments shall apply:

- i. subject to certain prescribed conditions having been fulfilled (including the furnishing by the relevant Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Securities as the MAS may require and the inclusion by the relevant Issuer in all offering documents relating to the Relevant Securities of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Securities is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for QDS shall not apply if the non-resident person acquires the Relevant Securities using the funds and profits of such person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the **Qualifying Income**) from the Relevant Securities paid by the relevant Issuer and derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Securities are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore tax;
- ii. subject to certain conditions having been fulfilled (including the furnishing by the relevant Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Securities as the MAS may require), Qualifying Income from the Relevant Securities paid by the relevant Issuer and derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10.00% (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and
- iii. subject to:
 - (aa) the relevant Issuer including in all offering documents relating to the Relevant Securities a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Securities is not exempt from tax shall include such income in a return of income made under the ITA; and

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

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

Notwithstanding the foregoing:

- (A) if during the primary launch of any tranche of the Relevant Securities, such tranche of the Relevant Securities are issued to fewer than four persons and 50.00% or more of the issue of such Relevant Securities is beneficially held or funded, directly or indirectly, by related parties of the relevant Issuer, such Relevant Securities would not qualify as QDS; and
- (B) even though a particular tranche of the Relevant Securities are QDS, if, at any time during the tenure of such tranche of the Relevant Securities, 50.00% or more of such Relevant Securities which are outstanding at any time during the life of the issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the relevant Issuer, Qualifying Income derived from such Relevant Securities held by:
- (I) any related party of the relevant Issuer; or
- (II) any other person where the funds used by such person to acquire such Relevant Securities are obtained, directly or indirectly, from any related party of the relevant Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax described above.

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

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

break cost, in relation to debt securities and QDS, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;

prepayment fee, in relation to debt securities and QDS, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities; and

redemption premium, in relation to debt securities and QDS, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

References to “break cost”, “prepayment fee” and “redemption premium” in this Singapore tax disclosure shall have the same meaning as defined in the ITA.

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) is derived from the Relevant Securities by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption for QDS under the ITA (as mentioned above) shall not apply if such person acquires the Relevant Securities using the funds and profits of such person’s operations through a permanent establishment in Singapore.

Notwithstanding that the relevant Issuer is permitted to make payments of the Qualifying 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 Qualifying Income) derived from the Relevant Securities is not exempt from tax is required to include such income in a return of income made under the ITA.

Under the Qualifying Debt Securities Plus Scheme (**QDS Plus Scheme**), subject to certain conditions having been fulfilled (including the furnishing by the issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities in respect of the QDS in the prescribed format within such period as the MAS may specify and such other particulars in connection with the QDS as the MAS may require), income tax exemption is granted on the Qualifying Income derived by any investor from QDS (excluding Singapore Government Securities) which:

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

However, even if a particular tranche of the Relevant Securities are QDS which qualify under the QDS Plus Scheme, if, at any time during the tenure of such tranche of the Relevant Securities, 50.00% or more of such Relevant Securities which are outstanding at any time during the life of the issue is beneficially held or funded, directly or indirectly, by related parties of the relevant Issuer, Qualifying Income from such Relevant Securities derived by:

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

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

Distributions on Perpetual Securities may be taxable, unless specifically exempted from tax under the ITA, in the hands of holders of the Perpetual Securities in the year the distributions are due to them, irrespective of whether the relevant Issuer has paid the distributions due to them or not.

In view of the above, in the event that the distributions are not payable, or not payable in full, on any Distribution Payment Date due to any deferral in accordance with the terms and conditions of the Perpetual Securities, holders of the Perpetual Securities should consult their professional advisers with respect to the tax consequences to them (including as to whether they may have any tax liability on any amount of distributions which are not payable or not payable in full).

Capital Gains

Singapore does not impose tax on capital gains. However, there are no specific laws or regulations which deal with the characterisation of capital gains and hence, gains arising from the disposal of the Securities by any person may be construed to be of an income nature and subject to income tax, especially if they arise from activities which the Comptroller of Income Tax in Singapore would regard as the carrying on of a trade or business in Singapore.

Holders of the Securities who apply or are required to apply Singapore Financial Reporting Standard 39 — Financial Instruments: Recognition and Measurement (**FRS 39**) may, for Singapore income tax purposes, be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Securities, irrespective of disposal, in accordance with FRS 39. Please see the section below on “Adoption of FRS 39 Treatment for Singapore Income Tax Purposes”.

Adoption of FRS 39 Treatment for Singapore Income Tax Purposes

The IRAS has issued a circular entitled “Income Tax Implications Arising from the Adoption of FRS 39 — Financial Instruments: Recognition & Measurement” (the **FRS 39 Circular**). Legislative amendments to give legislative effect to the tax treatment set out in the FRS 39 Circular have been enacted in Section 34A of the ITA.

The FRS 39 Circular and Section 34A of the ITA generally apply, subject to certain “opt-out” provisions, to taxpayers who are required to comply with FRS 39 for financial reporting purposes.

Holders of the Securities who may be subject to the tax treatment under the FRS 39 Circular and Section 34A of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Securities.

The Accounting Standards Council has issued a new financial reporting standard for financial instruments, FRS 109 – Financial Instruments, which will become mandatorily effective for Singapore-registered entities in respect of annual periods beginning on or after 1 January 2018. The IRAS had issued a consultation paper entitled “Proposed Income Tax Treatment Arising from the Adoption of FRS 109 – Financial Instruments” on 1 July 2016 and the closing date for submission of comments was 1 August 2016. As the tax treatment of entities who are required to comply with FRS 109 is currently unclear, Noteholders, Securityholders and prospective holders of the Relevant Securities should consult their own accounting and tax advisers on the proposed tax treatment to understand the implications and consequences that may be applicable to them.

Estate Duty

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

Proposed Financial Transaction Tax (FTT)

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

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

Under the Commission’s Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes or Perpetual 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.

However, the FTT proposal remains subject to negotiation between the participating Member States. 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 Notes or Perpetual Securities are advised to seek their own professional advice in relation to the FTT.

FATCA Withholding

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 Issuers may be foreign financial institutions for these purposes. A number of jurisdictions (including

Singapore) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions.

Certain aspects of the application of 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 1 January 2019 and Securities issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional securities (as described under “Terms and Conditions of the Notes — Further Issues” and “Terms and Conditions of the Perpetual Securities — Further Issues”) that are not distinguishable from these Securities are issued after the expiration of the grandfather period and are subject to withholding under FATCA, then withholding agents may treat all Securities, including the Securities offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Securities, neither the Issuers nor the Guarantor intend to pay additional amounts as a result of the withholding and where necessary, the Terms and Conditions of the Notes or the Terms and Conditions of the Perpetual Securities may be amended prior to the date of issue to reflect this.

Holders of the Notes or Perpetual Securities should consult their own tax advisors regarding how these rules may apply to their investment in the Securities.

SUBSCRIPTION AND SALE

The Dealers have, in a programme agreement (the **Programme Agreement**) dated 22 November 2012, agreed with the Issuers and the Guarantor a basis upon which they or any of them may from time to time agree to purchase Notes or Perpetual Securities. Any such agreement will extend to those matters stated (in the case of Notes) under “*Form of the Notes*” and “*Terms and Conditions of the Notes*” or (in the case of Perpetual Securities) under “*Form of the Perpetual Securities*” and “*Terms and Conditions of the Perpetual Securities*”. In the Programme Agreement, the Issuers (failing which, the Guarantor) have agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes and Perpetual Securities under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

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

The Dealers or certain of their respective affiliates may purchase the Notes and Perpetual Securities and be allocated the Notes and Perpetual Securities for asset management and/or proprietary purposes but not with a view to distribution.

In connection with each tranche of Notes and Perpetual Securities issued under the Programme, the Dealers or certain of their affiliates may purchase Notes and Perpetual Securities and be allocated Notes and Perpetual Securities for asset management and/or proprietary purposes but not with a view to distribution. Further, the Dealers and/or their respective affiliates may place orders, receive allocations and purchase Notes and Perpetual Securities for their own account (without a view to distributing such Notes and Perpetual Securities) and such orders and/or allocations of the Notes and Perpetual Securities may be material. Such entities may hold or sell such Notes and Perpetual Securities or purchase further Notes and Perpetual Securities for their own account in the secondary market or deal in any other securities of any Issuer, and therefore, they may offer or sell the Notes and Perpetual Securities or other securities otherwise than in connection with the offering. Accordingly, references herein to the Notes or Perpetual Securities being “offered” should be read as including any offering of the Notes or Perpetual Securities to the Arrangers, the Dealers and/or their respective affiliates for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any legal or regulatory obligation to do so.

United States

The Notes, the Perpetual Securities and the Guarantee have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S or pursuant to an exemption from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes and the Perpetual Securities are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes or Perpetual Securities (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes or Perpetual Securities on a syndicated basis, the relevant lead manager, of all Notes or Perpetual Securities of the Tranche of which such Notes or Perpetual Securities are a part, within the United States or to, or for the

account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes or Perpetual Securities during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes or Perpetual Securities within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes or Perpetual Securities, an offer or sale of such Notes or Perpetual Securities within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Each issuance of Index Linked Notes, Index Linked Perpetual Securities, Dual Currency Notes or Dual Currency Perpetual Securities shall be subject to such additional U.S. selling restrictions as the relevant Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes or Perpetual Securities, which additional selling restrictions shall be set out in the applicable Pricing Supplement.

Public Offer Selling Restriction under the Prospectus Directive and Prohibition of Sales to EEA Investors

From 1 January 2018, each Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes or Perpetual Securities which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression **retail investor** means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or
 - (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the **Insurance Mediation Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the **Prospectus Directive**); and
- (b) the expression **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes or Perpetual Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities.

Prior to 1 January 2018, in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer appointed under the Programme will be required to represent and agree that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Notes or Perpetual Securities which are the subject of the offering contemplated by this Offering Circular as completed by the applicable Pricing Supplement in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes or Perpetual Securities to the public in that Relevant Member State:

- (a) if the Pricing Supplement in relation to the Notes or Perpetual Securities specifies that an offer of those Notes or Perpetual Securities may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a **Non-exempt Offer**), following the date of publication of a prospectus in relation to such Notes or Perpetual Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that

Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes or Perpetual Securities referred to in (b) to (d) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression **an offer of Notes or Perpetual Securities to the public** in relation to any Notes or Perpetual Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes or Perpetual Securities to be offered so as to enable an investor to decide to purchase or subscribe the Notes or Perpetual Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression **Prospectus Directive** means Directive 2003/71/EC (and amendments thereto, including by Directive 2010/73/EU) and includes any relevant implementing measure in each Relevant Member State.

Selling Restrictions Addressing Additional United Kingdom Securities Laws

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes or Perpetual Securities in circumstances in which Section 21(1) of the FSMA does not apply to the relevant Issuer or the Guarantor; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes or Perpetual Securities in, from or otherwise involving the United Kingdom.

Japan

The Notes and Perpetual Securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the FIEA) and each Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes or Perpetual Securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan

or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes or Perpetual Securities (except for Notes and Perpetual Securities that are “structured products” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (**SFO**) other than (i) to “professional investors” as defined in the SFO and any rules made under the SFO, or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes or Perpetual Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws in Hong Kong) other than with respect to Notes or Perpetual Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the SFO and any rules made under the SFO.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Securities or caused the Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any Securities or cause the Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute this Offering Circular, and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Securities, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act (the **SFA**), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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

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

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

- (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or (in the case of a corporation) where the transfer arises from an offer referred to in Section 276(3)(i)(B) of the SFA or (in the case of a trust) where the transfer arises from an offer referred to in Section 276(4)(i)(B) of the SFA;

- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

General

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree that it will comply with all applicable securities laws, regulations and directives in force in any jurisdiction in which it purchases, offers, sells or delivers Securities or possesses or distributes the Offering Circular and will obtain any consent, approval, licence or permission required by it for the purchase, offer, sale or delivery by it of Securities under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the other Dealers shall have any responsibility therefor. No Dealer will directly or indirectly offer, sell or deliver Securities or distribute or publish the Offering Circular or any other offering material in any country or jurisdiction except under circumstances that will result in compliance with any applicable laws, regulations and directives, and all offers, sales and deliveries of Securities by it will be made on the foregoing terms.

None of the Issuers and the Guarantors has represented that Securities may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or has assumed any responsibility for facilitating any such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with any additional or modified, varied or amended restrictions agreed between the relevant Issuer and the relevant Dealer and set out in the applicable Pricing Supplement and/or the Subscription Agreement.

GENERAL INFORMATION

Authorisation

The establishment of the Programme, the issue of Notes and Perpetual Securities under the Programme and the giving of the Guarantee have been duly authorised by a resolution of the Board of Directors of KLL dated 14 November 2012 and 14 July 2017 and the establishment of the Programme and the issue of Notes and Perpetual Securities under the Programme have been duly authorised by a resolution of the Board of Directors of KLFS dated 15 November 2012 and 14 July 2017.

Listing of Notes and Perpetual Securities

Application has been made to the SGX-ST for permission to deal in and for the quotation of any Notes and Perpetual Securities which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes or Perpetual Securities have been admitted to the Official List of the SGX-ST.

Admission to the Official List of the SGX-ST and listing of any Notes or, as the case may be, Perpetual Securities on the SGX-ST is not to be taken as an indication of the merits of the Programme and the Notes or, as the case may be, the Perpetual Securities.

Documents Available

For the period of 12 months following the date of this Offering Circular, copies of the following documents will, when published, be available for inspection from the registered office of the Issuers and from the specified office of the Principal Paying Agent for the time being in Hong Kong:

- (a) the Constitution of each Issuer;
- (b) the audited consolidated financial statements of KLL and audited financial statements of KLFS in respect of the financial year ended 31 December 2016, together with the audit report prepared in connection therewith. KLL currently prepares audited consolidated accounts on an annual basis;
- (c) the most recently published audited annual financial statements of each Issuer (if published), together with any audit or review reports prepared in connection therewith;
- (d) the Programme Agreement, the Trust Deed, the Singapore Trust Deed, the Agency Agreement, the CDP Deeds of Covenant and the forms of the Global Notes, Global Perpetual Securities, the Notes and Perpetual Securities in definitive form, the Receipts, the Coupons and the Talons;
- (e) a copy of this Offering Circular; and
- (f) any future offering circulars, prospectuses, information memoranda and supplements including Pricing Supplements (save that a Pricing Supplement relating to an unlisted Note or unlisted Perpetual Security will only be available for inspection by a holder of such Note or Perpetual Security and such holder must produce evidence satisfactory to the relevant Issuer or the Principal Paying Agent as to its holding of Notes and Perpetual Securities and identity) to this Offering Circular and any other documents incorporated herein or therein by reference.

Clearing Systems

The Notes and Perpetual Securities have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes or Perpetual Securities allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Pricing Supplement. The relevant Issuer may also apply to have the Notes or Perpetual Securities, as the case may be, accepted for clearance through the CMU Service. The relevant CMU instrument number will be specified in the applicable Pricing Supplement. In addition, the relevant Issuer may also apply to have the Notes or Perpetual Securities,

as the case may be, accepted for clearance through CDP. If Notes or Perpetual Securities are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Pricing Supplement.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of CDP is #01-19/20 The Metropolis, 9 North Buona Vista Drive, Singapore 138588.

Conditions for determining price

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

Material Change

Except as disclosed in this Offering Circular, there has been no material adverse change in the financial position or prospects of each Issuer since 31 December 2016.

Litigation

- (a) There are no legal or arbitration proceedings pending or, so far as KLL is aware, threatened against KLL or any of its subsidiaries, the outcome of which may have or have had during the 12 months prior to the date of this Offering Circular a material adverse effect on the financial position of KLL or the Group.
- (b) There are no legal or arbitration proceedings pending or, so far as KLFS is aware, threatened against KLFS, the outcome of which may have or have had during the 12 months prior to the date of this Offering Circular a material adverse effect on the financial position of KLFS.

Auditors

PricewaterhouseCoopers LLP, have audited, and rendered unqualified audit reports on the consolidated financial statements of KLL and the financial statements of KLFS for the financial year ended on 31 December 2016.

PricewaterhouseCoopers LLP has given and has not withdrawn its written consents to the issue of this Offering Circular for the inclusion herein of (i) its name; (ii) its auditor's report on the financial statements of the Issuers for the financial year ended 31 December 2016 in the form and context in which they appear in this Offering Circular, and reference to its name and such report in the form and context which they appear in this Offering Circular.

GLOSSARY

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

£ or Sterling	:	The lawful currency of the United Kingdom
Additional Distribution Amount	:	The amount of distribution accruing to the Arrears of Distribution as if it constituted the principal of the Perpetual Securities at the same rate of distribution
Agency Agreement	:	The agency agreement relating to the Programme between the Issuers, the Guarantor, The Hongkong and Shanghai Banking Corporation Limited as Principal Paying Agent, Registrar, Transfer Agent, CMU Lodging and Paying Agent, The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch as CDP Paying Agent and HSBC Institutional Trust Services (Singapore) Limited as Trustee
Agents	:	The Principal Paying Agent, Paying Agents, Registrar, Transfer Agents, CMU Lodging and Paying Agent, CDP Paying Agent and calculation agent(s) for the time being (if any)
Arrangers	:	DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch and Standard Chartered Bank
Arrears of Distribution	:	Any distribution deferred pursuant to Condition 4.6 of the Perpetual Securities
Bearer Securities	:	Securities in Bearer form
CDP	:	The Central Depository (Pte) Limited
CDP Deeds of Covenant	:	The separate deeds of covenant each dated 22 November 2012 made by the relevant Issuer relating to the Notes and Perpetual Securities to be cleared through CDP
CDP Paying Agent	:	The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch
Clearstream, Luxembourg	:	Clearstream Banking S.A.
CMU Lodging and Paying Agent	:	The Hongkong and Shanghai Banking Corporation Limited
CMU Service	:	The Central Moneymarkets Unit Service operated by the HKMA
Companies Act	:	Companies Act, Chapter 50 of Singapore as amended
Conditions	:	The Terms and Conditions of the Notes or the Terms and Conditions of the Perpetual Securities, as the case may be
Depository Agreement	:	The separate application forms each dated 22 November 2012 and signed by the relevant Issuer and CDP in respect of Notes and Perpetual Securities to be cleared through CDP, together with the terms and conditions for the provision of depository services by the depository referred to therein

Direct Rights	:	Direct rights which holders of Notes and Perpetual Securities may acquire against the relevant Issuer under the provisions of the relevant CDP Deed of Covenant in relation to Notes and Perpetual Securities cleared through CDP
Distribution	:	Any distribution as referred to in the Conditions of the Perpetual Securities
EURIBOR	:	The Euro-zone interbank offered rate
euro or €	:	The lawful currency of member states of the European Union that adopt the single currency introduced in accordance with the Treaty establishing the European Community, as amended from time to time
Euroclear	:	Euroclear Bank SA/NV
Exchange Event	:	The relevant Exchange Event under which Notes and Perpetual Securities in global form (whether in bearer or registered form) will be exchangeable, in whole but not in part, for Notes and Perpetual Securities (as the case may be) in definitive form, as set out in “ <i>Form of the Notes</i> ” and “ <i>Form of the Perpetual Securities</i> ”
FY2015	:	Financial year ended 31 December 2015
FY2016	:	Financial year ended 31 December 2016
Group	:	KLL and its subsidiaries
Guarantee	:	The guarantee given by the Guarantor pursuant to which Notes and Perpetual Securities issued by KLFS will be unconditionally and irrevocably guaranteed by the Guarantor in accordance with the Terms and Conditions of the Notes and the Terms and Conditions of the Perpetual Securities.
Guarantor	:	KLL in its capacity as Guarantor of Notes and Perpetual Securities issued by KLFS
HKMA	:	Hong Kong Monetary Authority
Hong Kong or Hong Kong SAR	:	Hong Kong Special Administrative Region of the People’s Republic of China
IRAS	:	Inland Revenue Authority of Singapore
Issuers	:	KLL and KLFS, and Issuer means either one of them
ITA	:	Income Tax Act, Chapter 134 of Singapore, as amended or modified from time to time
LIBOR	:	The London interbank offered rate
MAS	:	Monetary Authority of Singapore
Noteholders	:	Holders of Notes

Paying Agent	:	Any paying agent in respect of the Notes and Perpetual Securities
PBOC	:	People's Bank of China
PRC	:	The People's Republic of China
Pricing Supplement	:	In relation to a Series or Tranche, a pricing supplement specifying the relevant issue details in relation to such Series or Tranche
Principal Paying Agent, Registrar or Transfer Agent	:	The Hongkong and Shanghai Banking Corporation Limited
Programme	:	The U.S.\$3,000,000,000 Multicurrency Medium Term Note Programme of the Issuers
Programme Agreement	:	The programme agreement relating to the establishment of the Programme dated 22 November 2012 between the Issuers, the Guarantor, the Arrangers and the Dealers
Regulation S	:	Regulation S under the Securities Act
Relevant Issuer	:	KLFS or KLL, as the case may be, as issuer of the Notes or Perpetual Securities under the Programme as specified in the applicable Pricing Supplement
RMB or Renminbi	:	The lawful currency of the People's Republic of China
RMB Notes	:	Notes denominated in RMB
RMB Perpetual Securities	:	Perpetual Securities denominated in RMB
Securities Act	:	U.S. Securities Act of 1933, as amended
S\$ or Singapore dollars and cents	:	The lawful currency of the Republic of Singapore
Securities	:	The Notes and the Perpetual Securities collectively
Securityholders	:	Holders of Perpetual Securities
Senior Perpetual Securities	:	Perpetual Securities which are specified as Senior in the applicable Pricing Supplement
SFA	:	Securities and Futures Act, Chapter 289 of Singapore as amended
SFRS	:	Singapore Financial Reporting Standards
SGX-ST	:	Singapore Exchange Securities Trading Limited
SIBOR	:	The Singapore Dollar interbank offered rate
SOR	:	The Singapore Dollar swap offer rate
Subordinated Perpetual Securities	:	Perpetual Securities which are specified as Subordinated in the applicable Pricing Supplement

Target2 System	:	The Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System
Trust Deed	:	<p>(a) In the case of Notes and Perpetual Securities specified to be governed by English law in the applicable Pricing Supplement, the English law Trust Deed as modified and/or supplemented and/or restated from time to time dated 22 November 2012 made between the Issuers, the Guarantor and the Trustee; or</p> <p>(b) In the case of Notes and Perpetual Securities specified to be governed by Singapore law in the applicable Pricing Supplement, the Singapore law Trust Deed as modified and/or supplemented and/or restated from time to time dated 22 November 2012 made between the Issuers, the Guarantor and the Trustee which incorporates the provisions of the English law Trust Deed dated 22 November 2012 made between the Issuers, the Guarantor and the Trustee (subject to certain modifications and amendments required under Singapore law)</p>
Trustee	:	HSBC Institutional Trust Services (Singapore) Limited
UK	:	The United Kingdom
US\$ or U.S. dollars	:	The lawful currency of the United States of America
Winding-Up	:	With respect to the relevant Issuer or the Guarantor, a final and effective order or resolution for the bankruptcy, winding-up, liquidation, receivership or similar proceedings in respect of the Issuer or the Guarantor, as the case may be, under the law of any jurisdiction in which it is incorporated, domiciled or resident or carries on business or has assets.
%	:	per cent.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations. Any reference to a time of day in this Offering Circular shall be a reference to Singapore time unless otherwise stated. Any reference in this Offering Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or the SFA or any statutory modification thereof and used in this Offering Circular shall, where applicable, have the meaning ascribed to it under the Companies Act or, as the case may be, the SFA.

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KEPPEL LAND LIMITED
Co. Reg. No. 189000001G
(Incorporated in the Republic of Singapore)

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

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KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

DIRECTORS' STATEMENT

For the financial year ended 31 December 2016

The Directors present their statement to the member together with the audited consolidated financial statements of Keppel Land Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2016.

1. OPINION OF THE DIRECTORS

In the opinion of the Directors,

- (i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company 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 2016 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and
- (ii) 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.

2. DIRECTORS

The Directors of the Company in office at the date of this report are:

Loh Chin Hua, Chairman
Ang Wee Gee, Chief Executive Officer
Tan Yam Pin
Edward Lee Kwong Foo
Koh-Lim Wen Gin
Yap Chee Meng
Huang Jing
Oon Kum Loon
Chan Hon Chew
Willy Shee Ping Yah (Appointed on 15 October 2016)

The Directors holding office at the end of the financial year and their interests in the share capital and share options of the Company and related companies as recorded in the register of Directors' shareholdings are as follows:

	Holdings at	
	01.01.2016	31.12.2016
Keppel Corporation Limited		
Ordinary shares		
Loh Chin Hua	332,824	534,557
Loh Chin Hua (Deemed interest)	38,500	38,500
Ang Wee Gee	2,750	22,750
Tan Yam Pin (Deemed interest)	132,000	132,000
Yap Chee Meng	95,360	95,360
Huang Jing	5,000	5,000
Oon Kum Loon	76,200	88,200
Oon Kum Loon (Deemed interest)	54,000	54,000
Chan Hon Chew	17,200	50,600
Chan Hon Chew (Deemed interest)	7,770	7,770

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

DIRECTORS' STATEMENT

For the financial year ended 31 December 2016

2. DIRECTORS (continued)

	Holdings At	
	01.01.2016	31.12.2016
Keppel Corporation Limited (continued)		
<i>Unvested restricted shares to be delivered after 2013</i>		
Loh Chin Hua	29,333	-
<i>Unvested restricted shares to be delivered after 2014</i>		
Loh Chin Hua	100,000	50,000
Chan Hon Chew	23,300	11,600
<i>Unvested restricted shares to be delivered after 2015</i>		
Loh Chin Hua	150,000	100,000
Ang Wee Gee	60,000	40,000
Chan Hon Chew	65,000	43,300
<i>Contingent award of restricted shares to be delivered after 2016 ⁽¹⁾</i>		
Loh Chin Hua	-	180,000
Ang Wee Gee	-	90,000
Chan Hon Chew	-	85,000
<i>Contingent award of performance shares issued in 2013 to be delivered after 2015 ⁽²⁾</i>		
Loh Chin Hua	93,171	-
<i>Contingent award of performance shares issued in 2014 to be delivered after 2016 ⁽²⁾</i>		
Loh Chin Hua	180,000	180,000
Chan Hon Chew	30,000	30,000
<i>Contingent award of performance shares issued in 2015 to be delivered after 2017 ⁽²⁾</i>		
Loh Chin Hua	220,000	220,000
Ang Wee Gee	100,000	100,000
Chan Hon Chew	80,000	80,000
<i>Contingent award of performance shares issued in 2016 to be delivered after 2018 ⁽²⁾</i>		
Loh Chin Hua	-	300,000
Ang Wee Gee	-	150,000
Chan Hon Chew	-	100,000
<i>Contingent award of performance shares – Transformation Incentive Plan issued in 2016 to be delivered after 2020 ⁽²⁾</i>		
Loh Chin Hua	-	750,000
Ang Wee Gee	-	400,000
Chan Hon Chew	-	350,000

Notes:

- Depending on the achievement of pre-determined performance targets, the actual number of restricted shares to be released can be zero or the numbers stated.
- Depending on the achievement of pre-determined performance targets, the actual number of performance shares to be released can range from zero to 150% of the numbers stated.

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of the financial year, nor at any time during the year, did there subsist any arrangement, to which the Company or any of its subsidiaries is a party, whereby the Directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

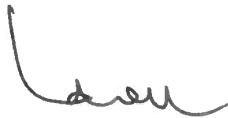
KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

DIRECTORS' STATEMENT
For the financial year ended 31 December 2016

4. AUDITOR

PricewaterhouseCoopers LLP have expressed their willingness to accept re-appointment as auditor.

On Behalf of the Board



Loh Chin Hua
Chairman

Singapore, 23 February 2017



Ang Wee Gee
Chief Executive Officer

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

INDEPENDENT AUDITOR'S REPORT For the financial year ended 31 December 2016

To the Member of Keppel Land Limited

Our Opinion

In our opinion, the accompanying consolidated financial statements of Keppel Land Limited (the "Company") and its subsidiaries (the "Group") and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSS") so as to give a true and fair view of the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 December 2016 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated balance sheet of the Group as at 31 December 2016;
- the balance sheet of the Company as at 31 December 2016;
- the consolidated profit or loss account for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the statement of changes in equity of the Company for the year then ended;
- the consolidated cash flow statement of the Group for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") 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 financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended 31 December 2016. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2016

Key Audit Matters (continued)

Key audit matters	How our audit addressed the matter
<p>Assessment of allowance for foreseeable losses (Refer to Note 24 to the financial statements)</p> <p>The Group has residential properties held for sale mainly in China, Singapore, Indonesia and Vietnam.</p> <p>Properties held for sale are stated at the lower of cost and net realisable values. The determination of the estimated net realisable values of these properties is highly dependent on the Group's expectation of future selling prices and the estimated cost to complete the development project.</p> <p>We focused on this area as significant judgment is required in making estimates of future selling prices and the estimated cost to complete the development project. Continued unfavourable market conditions in the markets which the Group operates might exert downward pressure on transaction volumes and residential property prices. This could lead to future trends in these markets departing from known trends based on past experience. There is therefore a risk that the estimates of carrying values at the date of these financial statements exceed future selling prices, resulting in more losses when the properties are sold.</p>	<p>In making its estimates of future selling prices, the Group takes into account macroeconomic and real estate price trend information. Senior management has applied their knowledge of the business in their regular review of these estimates.</p> <p>We corroborated the Group's forecast selling prices by comparing the forecast selling price to, where available, recently transacted prices and prices of comparable properties located in the same vicinity as the properties held for sale.</p> <p>We compared management's budgeted total development costs against underlying contracts with vendors and supporting documents. We discussed with the project managers to assess the reasonableness of estimated cost to complete and corroborated the underlying assumptions made with our understanding of past completed projects.</p> <p>We focused our work on development projects with slower-than-expected sales or with low or negative margins. For projects which are expected to sell below cost, we checked the computations of the foreseeable losses.</p> <p>We also considered the adequacy of the disclosures in the financial statements, in describing the allowance for foreseeable losses made for properties held for sale.</p> <p>The evidence we obtained from performing our procedures indicated that management's estimates and assumptions were reasonable. We also found the related disclosures in the financial statements to be appropriate.</p>
<p>Valuation of investment properties (Refer to Note 17 to the financial statements)</p> <p>The Group owns a portfolio of investment properties comprising office buildings, residential property and mixed-use development projects, located primarily in China, Singapore, Indonesia and Vietnam.</p> <p>Investment properties are stated at their fair values based on independent external valuations.</p>	<p>We evaluated the qualifications and competence of the external valuers. We considered the valuation methodologies used against those applied by other valuers for similar property types. We also considered other alternative valuation methods.</p>

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2016

Key Audit Matters (continued)

Key audit matters	How our audit addressed the matter
Valuation of investment properties (continued) (Refer to Note 17 to the financial statements)	
We focused on this area as the valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The valuations are highly sensitive to key assumptions applied in deriving the capitalisation rate, terminal yield, discount rate, net initial yield, replacement cost and price of comparable plots	<p>We tested the reliability of inputs of the projected cash flows used in the valuation to supporting leases and other documents. We corroborated the inputs such as the capitalisation rate, terminal yield, discount rate, net initial yield, replacement cost and price of comparable plots used in the valuation by comparing them against historical rates and available industry data, taking into consideration comparability and market factors. Where the inputs were outside the expected range, we undertook further procedures to understand the effect of additional factors and, when necessary, held further discussions with the valuers.</p> <p>We also considered the adequacy of the disclosures in the financial statements, in describing the inherent degree of subjectivity and key assumptions used in the estimates. This includes the relationships between the key unobservable inputs and fair values.</p> <p>The valuers are members of recognised professional bodies for external valuers. We found that the valuation methodologies used were in line with generally accepted market practices and the key assumptions used were within the range of market data. We also found the disclosures in the financial statements to be appropriate.</p>

Other information

Management is responsible for the other information. The other information comprises the Directors' Statement but does not include the financial statements and our auditor's report thereon. We obtained the Directors' Statement prior to the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2016

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 and FRSs, 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2016

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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.

The engagement partner on the audit resulting in this independent auditor's report is Choo Eng Beng.



PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 23 February 2017

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT For the financial year ended 31 December 2016

	Note	2016 \$'000	2015 \$'000
Sales	4	1,859,951	1,598,260
Cost of sales		(1,511,372)	(1,181,164)
Gross profit		348,579	417,096
Distribution costs		(20,098)	(10,631)
Administrative and other expenses		(102,837)	(186,934)
Other income	6	694,550	72,771
Other loss	7	(6,208)	-
Investment income	5	12,554	10,624
Interest income	8	27,149	26,183
Interest expense	9	(50,127)	(66,564)
Share of results of associates and joint ventures	22	334,767	369,182
Pre-tax profit before fair value gain on investment properties		1,238,329	631,727
Fair value gain on investment properties	10	62,239	97,128
Pre-tax profit after fair value gain on investment properties		1,300,568	728,855
Taxation	11	(133,915)	(168,154)
Profit for the year	5	1,166,653	560,701
Profit attributable to:			
Shareholder of the Company	3	1,149,313	564,076
Non-controlling interests	3	17,340	(3,375)
		1,166,653	560,701

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the financial year ended 31 December 2016

	Note	2016 \$'000	2015 \$'000
Profit for the year		1,166,653	560,701
Items that may be reclassified subsequently to profit or loss account:			
Available-for-sale financial assets			
Net fair value change		24,290	14,764
Fair value change transferred to profit and loss account		4,789	6,397
Cash flow hedges			
Net fair value change		(4,959)	1,866
Foreign exchange translation account			
Exchange differences on consolidation		(188,681)	144,953
Exchange differences transferred to profit and loss account		1,973	15,986
Share of other comprehensive income of associates and joint ventures			
Available-for-sale financial assets		(163)	(226)
Cash flow hedges			
Net fair value change		(10,279)	13,078
Fair value change transferred to profit and loss account		(149)	(78)
Foreign exchange translation account			
Exchange differences on consolidation		(37,391)	(9,615)
Exchange differences transferred to profit and loss account		(4,368)	(749)
Other comprehensive income for the year, net of tax	15	(214,938)	186,376
Total comprehensive income for the year		951,715	747,077
Total comprehensive income attributable to:			
Shareholder of the Company		960,443	709,778
Non-controlling interests		(8,728)	37,299
		951,715	747,077

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS As at 31 December 2016

		GROUP		COMPANY	
	Note	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Share capital	13	2,350,916	2,400,993	2,350,916	2,400,993
Reserves	15	6,554,854	5,742,160	4,065,375	2,857,012
Share capital and reserves		8,905,770	8,143,153	6,416,291	5,258,005
Non-controlling interests		409,854	489,443	-	-
Total equity		9,315,624	8,632,596	6,416,291	5,258,005
Represented by:					
Non-current assets					
Fixed assets	16	490,484	485,597	-	16
Investment properties	17	3,096,890	2,326,186	-	-
Amounts owing by associates and joint ventures	18	159,103	145,498	-	-
Intangible asset	19	-	1,196	-	-
Deferred tax assets	11	34,346	17,425	-	-
Other non-current assets	20	225,238	147,368	25,498	5,535
Investments					
Subsidiaries	21	-	-	1,565,632	1,300,634
Associates and joint ventures	22	2,986,447	3,272,764	68,623	70,099
Long-term investments	23	256,335	221,350	16,056	14,713
		3,242,782	3,494,114	1,650,311	1,385,446
		7,248,843	6,617,384	1,675,809	1,390,997
Current assets					
Properties held for sale	24	5,929,696	5,910,208	-	-
Stocks	25	2,597	5,138	-	-
Debtors	26	641,287	575,910	2,645	462
Amounts owing by holding company and related parties	27	797,183	74,045	7,413,075	6,791,394
Cash and cash equivalents	28	1,577,892	1,692,125	5,405	6,013
		8,948,655	8,257,426	7,421,125	6,797,869
Less:					
Current liabilities					
Creditors	29	2,241,527	2,025,353	23,064	18,612
Tax provision	11	189,201	151,985	1,530	1,979
Short-term borrowings	30	1,149,769	83,775	99,964	29,985
Amounts owing to holding company and related parties	27	94,141	18,030	788,113	986,875
		3,674,638	2,279,143	912,671	1,037,451
Net current assets		5,274,017	5,978,283	6,508,454	5,760,418
Less:					
Non-current liabilities					
Long-term borrowings	30	2,886,134	3,646,982	1,767,864	1,890,982
Deferred tax liabilities	11	234,246	229,623	-	-
Other non-current liabilities	31	86,856	86,466	108	2,428
		3,207,236	3,963,071	1,767,972	1,893,410
Net assets		9,315,624	8,632,596	6,416,291	5,258,005

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2016

	Share Capital \$'000	Capital Reserves \$'000	Foreign Currency Translation Account \$'000	Revenue Reserves \$'000	Total \$'000	Non- controlling Interests \$'000	Total Equity \$'000
GROUP							
Balance at 1 January 2016	2,400,993	121,388	151,081	5,469,691	8,143,153	489,443	8,632,596
Total comprehensive income for the year							
Profit for the year	-	-	-	1,149,313	1,149,313	17,340	1,166,653
Other comprehensive income (see Note 15)	-	13,715	(202,585)	-	(188,870)	(26,068)	(214,938)
Total comprehensive income for the year	-	13,715	(202,585)	1,149,313	960,443	(8,728)	951,715
Transactions with owners, recognised directly in equity							
<u>Contributions by and distributions to owners</u>							
Acquisition of subsidiaries under common control (see Note 21)	-	(147,632)	-	-	(147,632)	-	(147,632)
Selective capital reduction (see Note 13)	(50,077)	-	-	-	(50,077)	-	(50,077)
Capital reduction by a subsidiary	-	-	-	-	-	(31,798)	(31,798)
Capital contribution	-	-	-	-	-	26,275	26,275
Dividend paid (see Note 12)	-	-	-	-	-	(17,604)	(17,604)
Net transfer from capital reserve to revenue reserve	-	(38,727)	-	38,727	-	-	-
Others	-	(10)	-	-	(10)	-	(10)
Total contributions by and distributions to owners	(50,077)	(186,369)	-	38,727	(197,719)	(23,127)	(220,846)
<u>Changes in ownership interest in subsidiaries</u>							
Acquisition of non-controlling interest (see Note 21)	-	(107)	-	-	(107)	(8,176)	(8,283)
Disposal of subsidiaries (see Note 21)	-	-	-	-	-	(35,978)	(35,978)
Liquidation of a subsidiary	-	-	-	-	-	(3,580)	(3,580)
Total changes in ownership interest in subsidiaries	-	(107)	-	-	(107)	(47,734)	(47,841)
Total transactions with owners	(50,077)	(186,476)	-	38,727	(197,826)	(70,861)	(268,687)
Balance at 31 December 2016	2,350,916	(51,373)	(51,504)	6,657,731	8,905,770	409,854	9,315,624

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY For the financial year ended 31 December 2016

	Share Capital \$'000	Treasury Shares \$'000	Capital Reserves \$'000	Foreign Currency Translation Account \$'000	Revenue Reserves \$'000	Total \$'000	Non- controlling Interests \$'000	Total Equity \$'000
GROUP								
Balance at 1 January 2015	2,398,336	(2,446)	92,635	40,908	5,126,104	7,655,537	489,401	8,144,938
Total comprehensive income for the year								
Profit for the year	-	-	-	-	564,076	564,076	(3,375)	560,701
Other comprehensive income (see Note 15)	-	-	35,529	110,173	-	145,702	40,674	186,376
Total comprehensive income for the year	-	-	35,529	110,173	564,076	709,778	37,299	747,077
Transactions with owners, recognised directly in equity								
<u>Contributions by and distributions to owners</u>								
Issue of shares under the Keppel Land Share Plans (see Note 13)	3,735	-	(3,735)	-	-	-	-	-
Cost of share-based payments	-	-	3,623	-	-	3,623	-	3,623
Effect of change in settlement of share plans	-	-	(5,558)	-	-	(5,558)	-	(5,558)
Treasury shares reissued pursuant to Keppel Land Share Option Scheme (see Note 14)	-	1,368	49	-	-	1,417	-	1,417
Cancellation of treasury shares (see Note 14)	(1,078)	1,078	-	-	-	-	-	-
Capital contribution	-	-	-	-	-	-	2,808	2,808
Capital reduction	-	-	-	-	-	-	(7,122)	(7,122)
Redemption of preference shares by a subsidiary	-	-	3,926	-	(3,926)	-	(3,772)	(3,772)
Dividend paid (see Note 12)	-	-	-	-	(216,563)	(216,563)	(14,362)	(230,925)
Total contributions by and distributions to owners	2,657	2,446	(1,695)	-	(220,489)	(217,081)	(22,448)	(239,529)
<u>Changes in ownership interest in subsidiaries</u>								
Acquisition of subsidiary companies (see Note 21)	-	-	-	-	-	-	1,224	1,224
Acquisition of non-controlling interest (see Note 21)	-	-	(5,081)	-	-	(5,081)	(10,626)	(15,707)
Disposal of a subsidiary (see Note 21)	-	-	-	-	-	-	(5,407)	(5,407)
Total changes in ownership interest in subsidiaries	-	-	(5,081)	-	-	(5,081)	(14,809)	(19,890)
Total transactions with owners	2,657	2,446	(6,776)	-	(220,489)	(222,162)	(37,257)	(259,419)
Balance at 31 December 2015	2,400,993	-	121,388	151,081	5,469,691	8,143,153	489,443	8,632,596

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2016

	Share Capital \$'000	Treasury Shares \$'000	Capital Reserves \$'000	Revenue Reserves \$'000	Total Equity \$'000
COMPANY					
Balance at 1 January 2016	2,400,993	-	75,048	2,781,964	5,258,005
Total comprehensive income for the year					
Profit for the year	-	-	-	1,211,639	1,211,639
Other comprehensive income	-	-	(3,276)	-	(3,276)
Total comprehensive income for the year	-	-	(3,276)	1,211,639	1,208,363
Transactions with owners, recognised directly in equity					
<u>Contributions by and distributions to owners</u>					
Transfer from capital reserve to revenue reserve	-	-	(44,984)	44,984	-
Selective capital reduction (see Note 13)	(50,077)	-	-	-	(50,077)
Total transactions with owners	(50,077)	-	(44,984)	44,984	(50,077)
Balance at 31 December 2016	2,350,916	-	26,788	4,038,587	6,416,291
Balance at 1 January 2015	2,398,336	(2,446)	77,320	2,263,935	4,737,145
Total comprehensive income for the year					
Profit for the year	-	-	-	734,592	734,592
Other comprehensive income	-	-	3,349	-	3,349
Total comprehensive income for the year	-	-	3,349	734,592	737,941
Transactions with owners, recognised directly in equity					
<u>Contributions by and distributions to owners</u>					
Issue of shares under the Keppel Land Share Plans (see Note 13)	3,735	-	(3,735)	-	-
Cost of share-based payments	-	-	3,623	-	3,623
Effect of change in settlement of share plans	-	-	(5,558)	-	(5,558)
Treasury shares reissued pursuant to Keppel Land Share Option Scheme (see Note 14)	-	1,368	49	-	1,417
Cancellation of treasury shares (see Note 14)	(1,078)	1,078	-	-	-
Dividend paid (see Note 12)	-	-	-	(216,563)	(216,563)
Total transactions with owners	2,657	2,446	(5,621)	(216,563)	(217,081)
Balance at 31 December 2015	2,400,993	-	75,048	2,781,964	5,258,005

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENT For the financial year ended 31 December 2016

	2016 \$'000	2015 \$'000
Operating Activities:		
Pre-tax profit	1,300,568	728,855
Adjustments for:		
Depreciation charge and amortisation	26,755	32,488
Gain on sale of fixed assets	(488)	(589)
Fixed assets written off	4,681	293
Fair value loss on available-for-sale financial assets transferred from equity	4,789	6,397
Allowance for foreseeable losses on properties held for sale	26,008	55,471
Bad debts written off/(written back)	199	(10)
(Write-back of allowance)/allowance for doubtful debts	(502)	1,137
Fair value gain on forward foreign exchange contracts	(44,720)	(50)
Interest and investment income	(39,703)	(36,807)
Interest expense	50,127	66,564
Share of results of associates and joint ventures	(334,767)	(369,182)
Loss/(gain) on change in interest in an associate	1,769	(6,742)
Gain from disposal of subsidiaries	(578,407)	(17,077)
Loss from disposal of a subsidiary	4,439	-
Write-back of impairment of fixed assets	(69,425)	-
Fair value gain on call option	(6,000)	(5,100)
Fair value gain on investment properties	(62,239)	(97,128)
Operating cash flows before changes in working capital	283,084	358,520
Working capital changes:		
Debtors	125,994	(39,081)
Creditors	29,119	125,100
Stocks	2,163	(12)
Properties held for sale	428,003	51,038
Cash flows from operations	868,363	495,565
Interest received	27,149	26,183
Interest paid	(50,127)	(62,417)
Income taxes paid	(91,120)	(71,645)
Net cash flows from operating activities	754,265	387,686

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENT For the financial year ended 31 December 2016

	Note	2016 \$'000	2015 \$'000
Investing Activities:			
Acquisition of subsidiaries	21	(748,470)	(2,290)
Net (outflow)/inflow from disposal of subsidiaries	21	(6,150)	38,618
Redemption of preference shares by an associate		174,336	-
Advanced payment received in relation to disposal of a joint venture		77,688	-
Investment in associates and joint ventures		(200,486)	(344,373)
Investment in investee companies		(57,820)	(31,819)
Purchase of fixed assets		(31,188)	(102,231)
Additions to and purchase of investment properties		(141,862)	(277,168)
Advanced payment for purchase of an investment property		(25,051)	-
Proceeds from sale of fixed assets		808	1,015
Advances/repayment from associates and joint ventures		72,977	31,956
Advances/repayment to associates and joint ventures		(135,912)	(89,874)
Redemption of shares by investee companies		47,966	16,503
Dividends received from associates and joint ventures		281,455	243,030
Dividends received from investee companies		12,554	10,624
Net cash flows used in investing activities		(679,155)	(506,009)
Financing Activities:			
Proceeds from issuance of share options exercised with issue of treasury shares		-	1,417
Selective capital reduction		(50,077)	-
Drawdown of loans		741,449	1,624,073
Repayment of loans		(873,868)	(2,198,209)
Loans from holding company and related companies		47,031	4,544
Dividends paid to shareholders		-	(216,563)
Acquisition of non-controlling interests	21	(8,283)	(15,707)
Advances/repayment from non-controlling shareholders		12,356	30,804
Advances/repayment to non-controlling shareholders		(42,783)	(22,259)
Contribution from/(return of share capital to) non-controlling shareholders		26,275	(964)
Dividends paid to non-controlling shareholders		(15,760)	(14,362)
Net cash flows used in financing activities		(163,660)	(807,226)
Net decrease in cash and cash equivalents		(88,550)	(925,549)
Cash and cash equivalents at beginning of year		1,692,125	2,593,719
Exchange adjustments		(25,683)	23,955
Cash and cash equivalents at end of year	28	1,577,892	1,692,125

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2016

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

Keppel Land Limited (the "Company") is a limited liability company incorporated in Singapore.

The registered office and principal place of business of the Company is located at 230 Victoria Street #15-05, Bugis Junction Towers, Singapore 188024.

The financial statements of Keppel Land Limited for the financial year ended 31 December 2016 were authorised for issue on 23 February 2017 in accordance with a resolution of the Board of Directors.

The principal activity of the Company is that of a holding, management and investment company.

The principal activities of its subsidiaries consist of property investment and development, fund management and property related services.

The immediate and ultimate holding company is Keppel Corporation Limited, incorporated in Singapore, and is listed on the Singapore Exchange Securities Trading Limited.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are expressed in Singapore dollars ("SGD" or "\$") and all values are rounded to the nearest thousand ("'\$'000"), except where otherwise indicated.

Adoption of New and Revised Standards

The accounting policies adopted are consistent with those of the previous financial year, except in the current year, the Group adopted the following new and revised standards that are relevant and effective for financial years beginning on or after 1 January 2016:

Improvements to Financial Reporting Standards (November 2014)

- Amendments to FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*
- Amendments to FRS 107 *Financial Instruments: Disclosures*
- Amendment to FRS 19 *Employee Benefits*

Amendments to FRS 27 *Separate Financial Statements: Equity Method in Separate Financial Statements*

Amendments to FRS 16 *Property, Plant and Equipment* and FRS 38 *Intangible Assets: Clarification of Acceptable Methods of Depreciation and Amortisation*

Amendments to FRS 111 *Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations*

Amendments to FRS 110 *Consolidated Financial Statements*, FRS 112 *Disclosure of Interests in Other Entities*, FRS 28 *Investments in Associates and Joint Ventures - Investment Entities: Applying the Consolidation Exception*

Amendments to FRS 1 *Presentation of Financial Statements: Disclosure Initiative*

The adoption of the above FRSs did not result in any substantial change to the Group's accounting policies nor any significant impact on the financial statements of the Group.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Basis of Consolidation and Business Combinations

(i) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in the profit and loss account;
- re-classifies the Group's share of components previously recognised in other comprehensive income to the profit and loss account or retained earnings, as appropriate.

(ii) Business Combinations

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in the profit and loss account.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Basis of Consolidation and Business Combinations (continued)

(ii) Business Combinations (continued)

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the fair value of the acquiree's identifiable net assets acquired is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in the profit and loss account on the acquisition date.

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Where a business combination involves entities under common control, it is outside the scope of FRS 103 and accounted for using the pooling of interest method which involves the following:

- The assets and liabilities of the combining entities are reflected at their carrying amounts reported in their respective financial statements.
- No adjustments are made to reflect the fair values on the date of combination, or recognise any new assets or liabilities.
- No additional goodwill is recognised as a result of the combination.
- Any differences between the consideration paid/transferred and the equity 'acquired' is reflected within the equity as merger reserve.
- The statement of comprehensive income reflects the results of the combining entities from the date of acquisition.

The Group has adopted the no restatement approach for which comparatives will not be re-presented. Any pre-acquisition reserves transferred over will not be recorded as retained earnings as the intention was not to restate prior period financial information. FRS 27 requires the Group to only include the profit or loss from acquisition date.

(c) Fixed Assets

Fixed assets are initially recorded at cost and subsequently measured at cost less accumulated depreciation and any impairment in value. When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down to its recoverable amount. Profits or losses on disposal of fixed assets are included in the profit and loss account.

All fixed assets, except for freehold land and assets under construction, are depreciated on a straight-line basis over their estimated useful lives and residual values have also been taken into account where appropriate. No depreciation is provided on freehold land and assets under construction.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Fixed Assets (continued)

The estimated useful lives of the Group's fixed assets are as follows:

Freehold building	30 years
Leasehold land and buildings	Over period of lease (range from 20 to 50 years)
Machinery and equipment	3 to 10 years
Motor vehicles	4 to 8 years

The estimated useful lives, residual values and depreciation method are reviewed at each balance sheet date, with the effect of changes in estimates accounted for on a prospective basis.

(d) Investment Properties

Investment properties comprise completed properties and properties under construction or redevelopment held to earn rental and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value, determined annually by independent professional valuers on the highest and best use basis. Changes in fair value are recognised in the profit and loss account in the year in which they arise.

Investment properties are derecognised when either they are disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal.

Any gain or loss on the disposal of investment properties is recognised in the profit and loss account in the year of disposal.

(e) Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of a subsidiary, the difference between the net disposal proceeds and the carrying amount of the investment is taken to the profit and loss account.

(f) Joint Arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement. To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

The Group reassesses whether the type of joint arrangement in which it is involved has changed when facts and circumstances change.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Joint Arrangements (continued)

Joint Operations

The Group recognises in relation to its interest in a joint operation,

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The accounting policies of the assets, liabilities, revenues and expenses relating to the Group's interest in a joint operation have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

When the Group enters into transaction involving a sale or contribution of assets with a joint operation in which it is a joint operator, the Group recognises gains and losses resulting from such a transaction only to the extent of the interests held by the other parties to the joint operation.

When the Group enters into a transaction involving purchase of assets with a joint operation in which it is a joint operator, the Group does not recognise its share of the gains and losses until it resells those assets to a third party. When such transactions provide evidence of a reduction in the net realisable value of the assets to be purchased or of an impairment loss of those assets, the Group recognises its share of those losses.

Joint Ventures

The Group recognises its interest in a joint venture as an investment and accounts for the investment using the equity method. The accounting policy for investment in joint venture is set out in Note 2(g).

(g) Associates and Joint Ventures

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Associates and joint ventures (collectively the "equity-accounted investees") are accounted for using the equity method of accounting less impairment losses, if any. In applying the equity method of accounting, the Group's share of profits or losses and other comprehensive income of the equity-accounted investees are included in the Group's profit and loss account and other comprehensive income respectively, and the Group's share of net assets of the equity-accounted investees is included in the balance sheet from the date that the significant influence or joint control commences until the date that significant influence or joint control ceases. Distributions received from equity-accounted investees reduce the carrying amount of the investment. Unrealised gains and losses resulting from transactions between the Group and the equity-accounted investees are eliminated to the extent of the interest in the equity-accounted investees.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the equity-accounted investee recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in the profit and loss account as part of the Group's share of results of the equity-accounted investee in the year in which the investment is acquired.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Associates and Joint Ventures (continued)

When the Group's share of losses in an equity-accounted investee equals or exceeds its interest in the equity-accounted investee, the Group does not recognise further losses, unless it has legal or constructive obligations or made payments on behalf of the equity-accounted investee.

The most recently available audited financial statements of the equity-accounted investees are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not co-terminous with those of the Group, the share of results is arrived at from the last audited financial statements available and unaudited management financial statements to the end of the accounting year. Where necessary, adjustments are made to align the accounting policies with those of the Group.

Upon loss of significant influence or joint control over the equity-accounted investee, the Group measures any retained investment at its fair value. Any difference between the carrying amount of the equity-accounted investee upon loss of significant influence or joint control and the fair value of the aggregate of the retained investment and proceeds from disposal is recognised in the profit and loss account.

When an investment in an associate becomes an investment in a joint venture or an investment in joint venture becomes an investment in an associate, the Group continues to apply the equity method and does not remeasure the retained interest.

If the Group's ownership interest in an associate or a joint venture is reduced, but the Group continues to apply the equity method, the Group reclassifies to the profit and loss account the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to the profit and loss account on the disposal of the related assets or liabilities.

In the Company's separate financial statements, investments in equity-accounted investees are accounted for at cost less impairment losses. On disposal of an equity-accounted investee, the difference between the net disposal proceeds and the carrying amount of the investment is taken to the profit and loss account.

(h) Long-term Investments

Long-term investments represent non-derivative financial assets that are designated as available-for-sale. After initial recognition, available-for-sale financial assets are measured at fair value. Gains or losses arising from changes in fair value are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses on monetary assets and interest calculated using the effective interest method which are recognised in the profit and loss account. Where the investment is disposed of or determined to be impaired, the cumulative gains or losses previously recognised in other comprehensive income and accumulated in available-for-sale asset reserve are reclassified to the profit and loss account.

The fair value of quoted investments is generally determined by reference to the relevant stock exchanges' quoted market bid prices at the close of business on the balance sheet date. For investments where there is no active market, the fair value is determined using various valuation techniques. Such techniques include using recent arm's length market transactions, reference to the underlying net asset value of the investee companies and discounted cash flow analysis.

(i) Goodwill

Goodwill acquired in a business combination is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment loss. Goodwill is reviewed for impairment, at least annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Derivative Financial Instruments and Hedge Accounting

Derivative financial instruments are initially recognised at fair value on the dates the derivative contracts are entered into and are subsequently remeasured at fair value. Derivative financial instruments are carried as assets when the fair values are positive and as liabilities when the fair values are negative.

Gains or losses arising from changes in fair value of derivative financial instruments that do not qualify for hedge accounting are taken to the profit and loss account for the year.

Hedge Accounting

The Group applies hedge accounting for certain qualifying hedging transactions.

At the inception of a hedging relationship, the Group formally designates and documents the hedging relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

For cash flow hedges, the effective portion of the gains or losses on the hedging instrument is recognised directly in other comprehensive income, while the ineffective portion is recognised in the profit and loss account. Amounts taken to other comprehensive income are reclassified to the profit and loss account when the hedged transaction affects profit and loss.

For fair value hedges, changes in the fair value of the designated hedging instrument are recognised in the profit and loss account. The hedged item is adjusted to reflect change in its fair value in respect of the risk hedged, with any gain or loss recognised in the profit and loss account.

Hedges of net investments in foreign operations, including hedges of monetary items that are accounted for as part of the net investments, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as other comprehensive income while any gains or losses relating to the ineffective portion are recognised in the profit and loss account. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the profit and loss account.

(k) Properties Held for Sale

Properties under development where revenue is recognised using the percentage of completion method are stated at the lower of cost plus attributable profit/loss and net realisable value, net of progress billings. Properties under development where revenue is recognised using the completion of construction method, are stated at the lower of cost and net realisable value. Progress billings received prior to completion are presented as progress billings within creditors. Cost includes cost of land and construction, related overhead expenditure, and financing charges incurred during the period of development. Net realisable value represents the estimated selling price less costs to be incurred in selling the property. Upon completion of construction, they are transferred to completed properties held for sale.

Each property under development is accounted for as a separate project. Where a project comprises more than one component or phase with a separate temporary occupation permit, each component or phase is treated as a separate project, and interest and other net costs are apportioned accordingly.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Properties Held for Sale (continued)

When losses are expected, full allowance is made in the financial statements after adequate allowance has been made for estimated costs to completion. Any expenditure incurred on abortive projects is written off in the profit and loss account.

Completed properties held for sale are stated at the lower of cost and net realisable value. Cost includes cost of land and construction, related overhead expenditure, financing charges and other net costs incurred during the period of development.

(l) Stocks

Stocks are valued at the lower of cost and net realisable value. Allowance is made for damaged, obsolete or slow-moving stocks on an item by item basis.

(m) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, fixed deposits with banks, deposits with related companies and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

(n) Financial Assets

Financial assets are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. Financial assets include cash and cash equivalents, trade and other debtors, amounts owing by holding company and related parties, long-term investments and other non-current assets. When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through the profit and loss account, directly attributable transaction costs. The Group determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been previously recognised in other comprehensive income is recognised in the profit and loss account.

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables comprise trade and other debtors, amounts owing by holding company and related parties, and cash and cash equivalents. Subsequent to initial recognition, loans and receivables are measured at amortised carrying value using the effective interest method, less impairment losses. Gains and losses are recognised in the profit and loss account when the loans and receivables are derecognised or impaired, and through the amortisation process.

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheets, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Impairment of Assets

Impairment of Non-Financial Assets

At each balance sheet date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that the assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of an asset or a CGU exceeds its recoverable amount. The recoverable amount of an asset or a CGU is the higher of its fair value less cost of disposal and value-in-use.

Impairment losses are recognised in the profit and loss account. Impairment losses recognised in respect of CGU are allocated first to reduce the carrying amount of goodwill allocated to the CGU and then, to reduce the carrying amount of the other assets of the CGU on a pro-rata basis.

An impairment loss recognised for goodwill is not reversed in a subsequent period. In respect of other non-financial assets, a previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of the asset since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. A reversal of impairment loss is recognised in the profit and loss account.

Impairment of Financial Assets

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

(i) Assets Carried at Amortised Carrying Value

If there is objective evidence that a financial asset carried at amortised carrying value is impaired, the amount of the loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows discounted at the original effective interest rate of the financial asset. The carrying amount of the asset is reduced through the use of an allowance account, and the loss is recognised in the profit and loss account.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortised carrying value at the reversal date. The amount of reversal is recognised in the profit and loss account.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Impairment of Assets (continued)

Impairment of Financial Assets (continued)

(ii) Available-for-Sale Financial Assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, the amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the profit and loss account, is transferred from equity to the profit and loss account. Reversals of impairment loss in respect of equity instruments are not recognised in the profit and loss account. Reversals of impairment losses on debt instruments are recognised in the profit and loss account, if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognised in the profit and loss account.

(p) Financial Liabilities

Financial liabilities within the scope of FRS 39 are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Financial liabilities include trade and other creditors, amounts owing to holding company and related parties, borrowings and other non-current liabilities. All financial liabilities, other than financial liabilities at fair value through the profit and loss account, are recognised initially at fair value, plus directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised carrying value using the effective interest method.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss is recognised in the profit and loss account when the liability is derecognised, and through the amortisation process.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are initially recognised at their fair values plus transaction costs in the balance sheet. Financial guarantees are subsequently amortised to the profit and loss account over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to the profit and loss account.

(q) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of economic resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable.

The Group recognises revenue and profit from sale of completed properties held for sale when the significant risks and rewards of ownership of the properties have been transferred to the purchasers.

Revenue recognition on partly completed properties held for sale is based on the following methods:

- (i) For Singapore trading properties under progressive payment scheme, revenue and profit are recognised using the percentage of completion method to reflect the continuous transfer of significant risks and rewards of ownership of the properties to the purchasers as construction progresses. The percentage of work completed is measured based on the construction and related costs incurred to date as a proportion of the estimated total construction and related costs; and
- (ii) For overseas trading properties, revenue and profit are recognised upon the transfer of significant risks and rewards of ownership of the properties to the purchasers using the completion of construction method.

Rental and related income from operating leases on investment properties are recognised on a straight-line basis over the lease term. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

Dividend income is recognised when the Group's right to receive payment is established.

Interest income is recognised on a time proportion basis (using the effective interest method).

Service charges, management fees and car park fees are recognised in the year in which the services are rendered.

(s) Borrowing Costs

Borrowing costs incurred to finance the development of properties are capitalised during the period of time that is required to complete and prepare the assets for their intended use. Other borrowing costs are taken to the profit and loss account over the period of borrowing using the effective interest method.

(t) Employee Benefits

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

Defined Contribution Plan

The Group makes contributions to pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies make contributions to the Central Provident Fund in Singapore, a defined contribution pension scheme. Contributions to pension schemes are recognised as an expense in the year in which the related service is performed.

Employee Leave Entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to the balance sheet date.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Taxation

Current Tax

Current tax assets and liabilities for the current and prior years are measured at the amounts expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Current tax is recognised in the profit and loss account except to the extent that the tax relates to items recognised outside the profit and loss account, either in other comprehensive income or directly in equity.

Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the balance sheet date. The principal temporary differences arise from fair value gain on investment properties, fair value adjustments on acquisition of subsidiaries, depreciation of fixed assets, unremitted offshore income and certain provisions or charges in the financial statements for which the tax relief is not immediately available.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investment in subsidiaries, associates and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised as an expense or income in the profit and loss account, except where it relates to items recognised in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity, or where it arises from the initial accounting for a business combination. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Sales Tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- (i) Where the sales tax incurred in a purchase of an asset or service is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- (ii) Debtors and creditors are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of debtors and creditors in the balance sheet.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Foreign Currencies

Functional Currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity ("functional currency").

The financial statements of the Group and the balance sheet and statement of changes in equity of the Company are presented in Singapore dollars, which is the functional currency of the Company.

Foreign Currency Transactions

Transactions in foreign currencies are translated at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at exchange rates approximating those ruling at that date. Exchange differences arising from settlement or translation of monetary items are taken to the profit and loss account, except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation account.

Exchange differences arising on translation of the financial liabilities designated as hedges of net investments in foreign operations are recognised in other comprehensive income to the extent that the hedge is effective, and are accumulated under foreign currency translation account. The exchange differences relating to the ineffective portion of the hedge are recognised in the profit and loss account. On disposal of the hedged net investment, the relevant amount of the exchange differences shall be reclassified from equity to the profit and loss account as part of the gain or loss on disposal.

Foreign Currency Translation

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Exchange differences on non-monetary items such as available-for-sale financial assets are included in the available-for-sale asset reserve.

For inclusion in the Group's financial statements, all assets and liabilities of foreign subsidiaries, associates and joint ventures that are in functional currencies other than Singapore dollars are translated into Singapore dollars at the exchange rates ruling at the balance sheet date. The trading results of foreign subsidiaries, associates and joint ventures are translated into Singapore dollars using the average exchange rates for the financial year. Exchange differences due to such currency translation are recognised in other comprehensive income and accumulated in the foreign currency translation account. On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation shall be reclassified from equity to the profit and loss account as part of the gain or loss on disposal.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in the profit and loss account. For partial disposal of associates and joint ventures that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to the profit and loss account.

Goodwill and fair value adjustments arising on acquisition of a foreign entity on or after 1 January 2005 are treated as foreign currency assets and liabilities of the acquiree and recorded at the closing exchange rate.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Segment Reporting

For management purposes, the Group is organised into strategic business units based on their products, services and geography. Management monitors the results of each of the operating segments for the purpose of making decisions on resource allocation and performance assessment.

(x) Leases

As Lessee

Operating Leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease payments (net of any incentive received from lessor) are taken to the profit and loss account on a straight-line basis over the lease term. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the year in which termination takes place.

As Lessor

Finance Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the lessee. Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Operating Leases

Assets leased out under operating leases are included in investment properties and are stated at fair values. Rental income (net of any incentive given to lessee) is recognised on a straight-line basis over the lease term.

(y) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and for which the fair values can be reliably determined.

(z) Critical Accounting Estimates and Judgement

(i) Critical Judgement Made in Applying the Group's Accounting Policies

In the process of applying the Group's accounting policies, management is of the opinion that there is no instance of application of judgement which is expected to have a significant effect on the amounts recognised in the consolidated financial statements, apart from those involving estimations described below.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(z) Critical Accounting Estimates and Judgement (continued)

(ii) Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

Allowance for Foreseeable Losses on Properties Held for Sale

For properties held for sale, allowance for foreseeable losses is made when the net realisable value has fallen below cost. The carrying amount of properties held for sale and the key assumptions used in estimating net realisable value and total construction costs are disclosed in Note 24.

Revaluation of Investment Properties

The Group carries its investment properties at fair value with changes in fair value being recognised in profit and loss account. In determining fair values, the valuers have used valuation techniques which involve certain estimates. The key assumptions to determine the fair value of investment properties include market-corroborated capitalisation rate, terminal yield and discount rate. In relying on the valuation reports, management has exercised its judgement to ensure that the valuation methods and estimates are reflective of current market conditions.

The carrying amount of investment properties and the key assumptions used to determine the fair value of the investment properties are disclosed in Notes 17 and 37.

Revenue Recognition

For Singapore property trading projects under progressive payment scheme, the Group recognises revenue from partly completed projects based on the percentage of completion method. The stage of completion is measured in accordance with the accounting policy stated in Note 2(r). Significant assumptions are required in determining the stage of completion, the total estimated development costs and the estimated total revenue. In making the assumptions, the Group evaluates them by relying on past experience and the work of specialists. Revenue from partly completed projects is disclosed in Note 4.

Impairment of Non-Financial Assets

The Group assesses at each balance sheet date whether there are any indicators of impairment for all non-financial assets.

Determining whether the carrying values of fixed assets, investments in subsidiaries and investments in associates and joint ventures are impaired requires an estimation of the value-in-use of the asset or the CGU. This requires the Group to estimate the future cash flows expected from the asset or the CGU and an appropriate discount rate in order to calculate the present value of the future cash flows. The carrying amounts of fixed assets, intangible asset, investments in subsidiaries and investments in associates and joint ventures at the balance sheet date are disclosed in Notes 16, 19, 21 and 22 respectively.

Impairment of Available-for-Sale Financial Assets

The Group follows the guidance of FRS 39 in determining when an available-for-sale financial asset is considered impaired. The Group evaluates, among other factors, the duration and extent to which the fair value of a financial asset is less than its cost, the financial health of and the near-term business outlook of the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow. The fair values of long-term investments are disclosed in Note 23.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

3. PROFIT FROM OPERATIONS AND FAIR VALUE GAIN ON INVESTMENT PROPERTIES

	2016			2015		
	Operations	Fair Value Gain	Total	Operations	Fair Value Gain	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Pre-tax profit	1,238,329	62,239	1,300,568	631,727	97,128	728,855
Taxation	(115,304)	(18,611)	(133,915)	(133,094)	(35,060)	(168,154)
	1,123,025	43,628	1,166,653	498,633	62,068	560,701
Non-controlling interests	(6,476)	(10,864)	(17,340)	7,211	(3,836)	3,375
Profit attributable to shareholder	1,116,549	32,764	1,149,313	505,844	58,232	564,076

4. SALES

	GROUP	
	2016 \$'000	2015 \$'000
Trading of properties:		
Recognised on completion of construction method	1,081,463	1,087,377
Recognised on percentage of completion method	615,923	262,691
	1,697,386	1,350,068
Rental and related income	23,033	34,893
Fund management fees	54,465	106,832
Operations of hotels and resorts	52,590	59,314
Property services and others	32,477	47,153
	1,859,951	1,598,260

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2016

5. PROFIT FOR THE YEAR

	GROUP	
	2016	2015
	\$'000	\$'000
The following amounts have been charged/(credited) in arriving at the profit for the year:		
(a) Investment income:		
Gross dividends from quoted investment	(2,864)	(1,540)
Gross dividends from unquoted investments	(9,690)	(9,084)
	(12,554)	(10,624)
(b) Staff costs:		
Key managers' emoluments:		
Short-term benefits (including annual base salaries and annual performance incentives)	6,094	7,916
Employer's contribution to defined contribution plans, including the Central Provident Fund	75	80
Cost of share-based payments	2,608	2,397
	8,777	10,393
Other staff costs:		
Short-term benefits (including annual base salaries and annual performance incentives)	140,612	157,473
Employer's contribution to defined contribution plans, including the Central Provident Fund	12,331	12,498
Cost of share-based payments	4,422	4,009
	157,365	173,980
Total staff costs	166,142	184,373
(c) Others:		
Depreciation of fixed assets (see Note 16):		
Freehold building	16	5
Leasehold properties	6,128	17,719
Machinery, equipment and vehicles	19,415	12,715
	25,559	30,439
Amortisation of intangible asset (see Note 19)	1,196	2,049
Gain on sale of fixed assets	(488)	(589)
Fixed assets written off	4,681	293
Fees and other remuneration to Directors of the Company	945	1,095
Cost of properties held for sale recognised in cost of sales	1,279,090	1,053,083
Fair value gain on forward foreign exchange contracts	(44,720)	(50)
Foreign exchange loss	6,288	4,220
(Write-back of allowance)/allowance for doubtful debts	(502)	1,137
Bad debts written off/(written back)	199	(10)
Allowance for foreseeable losses on properties held for sale	26,008	55,471
Fair value loss on available-for-sale financial asset transferred from equity	4,789	6,397
Direct expenses of investment properties that generate rental income	8,861	9,275
Rental expenses	12,469	13,187

Staff costs capitalised during the year under properties held for sale and investment properties amounted to \$31,109,000 (2015: \$28,079,000).

Total share-based payments of \$7,030,000 in 2016 were settled by cash (2015: \$6,406,000).

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2016

6. OTHER INCOME

	GROUP	
	2016	2015
	\$'000	\$'000
Gain from disposal of subsidiaries	578,407	17,077
Gain on change in interest in an associate	-	6,742
Fair value gain on call option (see Note 20)	6,000	5,100
Net lease income	13,610	11,144
Write-back of costs accruals	27,108	32,708
Write-back of impairment of fixed assets (see Note 16)	69,425	-
	<u>694,550</u>	<u>72,771</u>

7. OTHER LOSS

	GROUP	
	2016	2015
	\$'000	\$'000
Loss from disposal of a subsidiary	(4,439)	-
Loss on change in interest in an associate	<u>(1,769)</u>	<u>-</u>
	<u>(6,208)</u>	<u>-</u>

8. INTEREST INCOME

	GROUP	
	2016	2015
	\$'000	\$'000
Interest from deposits and loans with:		
Banks	12,838	11,328
Associates and joint ventures	6,028	3,414
Related companies	6,299	10,255
Interest from advances to non-controlling shareholders of certain subsidiaries	186	312
Others	<u>1,798</u>	<u>874</u>
	<u>27,149</u>	<u>26,183</u>

Related companies are subsidiaries of Keppel Corporation Limited in which the Company has no shareholding interest.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2016

9. INTEREST EXPENSE

	GROUP	
	2016	2015
	\$'000	\$'000
Interest expense on:		
Convertible bond (see Note 30)	-	11,899
Other term loans and overdrafts from:		
Related companies	1,316	1,896
Banks	46,913	50,060
Loans from non-controlling shareholders of certain subsidiaries and others	1,898	2,709
	<u>50,127</u>	<u>66,564</u>

10. FAIR VALUE GAIN ON INVESTMENT PROPERTIES

Analysis of the Group's fair value gain on investment properties is as follows:

	2016				2015			
	Deferred		Non-controlling	Net	Deferred		Non-controlling	Net
	Gross	Tax	Interests		Gross	Tax	Interests	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Subsidiaries	62,239	(9,048)	(10,864)	42,327	97,128	(13,667)	(3,836)	79,625
Associates and joint ventures (see Note 22)	64,507	(9,563)	-	54,944	158,487	(21,393)	-	137,094
	<u>126,746</u>	<u>(18,611)</u>	<u>(10,864)</u>	<u>97,271</u>	<u>255,615</u>	<u>(35,060)</u>	<u>(3,836)</u>	<u>216,719</u>

The fair value gain for subsidiaries excluded the fair value gain relating to the portion of a property under construction that will be delivered in kind upon completion to third parties under a contractual agreement (see Note 29).

The fair value gain for associates and joint ventures was included in share of results of associates and joint ventures.

11. TAXATION

	GROUP	
	2016	2015
	\$'000	\$'000
Current tax:		
Current income tax	111,853	82,993
Over provision in respect of previous years	(12,913)	(6,718)
	<u>98,940</u>	<u>76,275</u>
Deferred tax:		
(Reversal)/origination of temporary differences	(7,075)	41,419
	<u>91,865</u>	<u>117,694</u>
Associates and joint ventures (see Note 22)	42,050	50,460
	<u>133,915</u>	<u>168,154</u>

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2016

11. TAXATION (continued)

The reconciliation between the tax expense reported and the product of accounting profit multiplied by the applicable tax rate is as follows:

	GROUP	
	2016	2015
	\$'000	\$'000
Pre-tax profit	1,300,568	728,855
Tax calculated at tax rate of 17% (2015: 17%)	221,097	123,905
Adjustments:		
Non-deductible expenses	11,177	15,425
Income not subject to tax	(115,120)	(5,605)
Share of results of associates and joint ventures	(56,910)	(62,761)
Over provision in respect of previous years	(12,913)	(6,718)
Different tax rates in other jurisdictions	30,998	30,292
Utilisation of previously unrecognised tax benefits	(13,556)	(9,936)
Tax benefits not recognised	27,092	33,092
	91,865	117,694

Under the group tax relief system introduced by the Inland Revenue Authority of Singapore ("IRAS"), a Singapore incorporated company may, upon satisfaction of the criteria set out by the IRAS, transfer its current year's unabsorbed capital allowances, trade losses and donations to another company belonging to the same group, to be deducted against the assessable income of the latter company.

Tax Provision

	GROUP		COMPANY	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Provision for taxation	189,345	152,807	1,530	1,979
Income tax refund receivable	(144)	(822)	-	-
	189,201	151,985	1,530	1,979

The Group has certain unutilised tax losses and capital allowances of \$332,691,000 (2015: \$369,722,000) as at 31 December 2016 for which related tax benefits totaling \$72,001,000 (2015: \$78,963,000) have not been included in the financial statements. The tax losses are available for offset against future taxable profits of the companies in which the losses arose but for which no deferred tax asset has been recognised due to uncertainty of their recoverability. The use of tax losses is subject to the agreement by the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the Group operates. Tax losses amounting to \$202,406,000 (2015: \$223,868,000) can be carried forward for a period of 3 to 5 years subsequent to the year of the loss, while the remaining tax losses have no expiry dates.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2016

11. TAXATION (continued)

Deferred Taxation

Movements in the deferred tax liabilities and assets are as follows:

	At 1 January \$'000	Charged/ (credited) to profit and loss account \$'000	Companies acquired (see Note 21) \$'000	Companies disposed (see Note 21) \$'000	Exchange differences on consolidation \$'000	At 31 December \$'000
GROUP						
2016						
Deferred tax liabilities arising from:						
Fair value on investment properties	31,436	9,048	-	(4,380)	(1,202)	34,902
Differences in depreciation	2,842	16	3,943	(20)	77	6,858
Fair value adjustments on acquisition of subsidiaries	195,294	(840)	-	(788)	(1,180)	192,486
Unremitted earnings	51	16	-	(72)	5	-
	<u>229,623</u>	<u>8,240</u>	<u>3,943</u>	<u>(5,260)</u>	<u>(2,300)</u>	<u>234,246</u>
Deferred tax assets arising from:						
Accruals and others	(17,425)	(15,315)	(1,959)	-	353	(34,346)
	<u>(17,425)</u>	<u>(15,315)</u>	<u>(1,959)</u>	<u>-</u>	<u>353</u>	<u>(34,346)</u>
2015						
Deferred tax liabilities arising from:						
Fair value on investment properties	17,322	13,667	-	(51)	498	31,436
Differences in depreciation	3,475	62	10	(598)	(107)	2,842
Fair value adjustments on acquisition of subsidiaries	194,869	(928)	552	-	801	195,294
Issuance of convertible bonds	475	(475)	-	-	-	-
Unremitted earnings	120	(69)	-	-	-	51
	<u>216,261</u>	<u>12,257</u>	<u>562</u>	<u>(649)</u>	<u>1,192</u>	<u>229,623</u>
Deferred tax assets arising from:						
Accruals and others	(45,248)	29,162	-	-	(1,339)	(17,425)
	<u>(45,248)</u>	<u>29,162</u>	<u>-</u>	<u>-</u>	<u>(1,339)</u>	<u>(17,425)</u>

As at 31 December 2016, deferred tax liabilities amounting to \$40,482,000 (2015: \$42,471,000) had not been recognised for taxes that would be payable on the undistributed earnings of certain subsidiaries as these earnings would not be distributed in the foreseeable future.

There was no tax recognised in the Group's other components of other comprehensive income in 2016 and 2015.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2016

11. TAXATION (continued)

Deferred Taxation (continued)

	At 1 January 2015 \$'000	Credited to profit and loss account \$'000	At 31 December 2015 \$'000
COMPANY			
Deferred tax assets arising from:			
Issuance of convertible bonds	475	(475)	-
Unremitted earnings	6	(6)	-
	<u>481</u>	<u>(481)</u>	<u>-</u>

There was no deferred taxation charged or credited to profit and loss account during the year for the Company.

12. DIVIDENDS

Final Dividend Paid

	GROUP AND COMPANY	
	2016 \$'000	2015 \$'000
Dividends on ordinary shares:		
Final one-tier tax exempt ordinary dividend of 14 cents per share in 2015	<u>-</u>	<u>216,563</u>

13. SHARE CAPITAL

	2016 Number of Shares '000	2015 Number of Shares '000	2016 \$'000	2015 \$'000
Issued and fully paid: 1,535,581,235 (2015: 1,546,881,101) ordinary shares	<u>1,535,581</u>	<u>1,546,881</u>	<u>2,350,916</u>	<u>2,400,993</u>
Issued and fully paid:				
At 1 January	1,546,881	1,545,913	2,400,993	2,398,336
Selective capital reduction, including issuance expenses	(11,300)	-	(50,077)	-
Issue of shares under the Keppel Land Share Plans	-	1,298	-	3,735
Cancellation of treasury shares	-	(330)	-	(1,078)
At 31 December	<u>1,535,581</u>	<u>1,546,881</u>	<u>2,350,916</u>	<u>2,400,993</u>

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2016

13. SHARE CAPITAL (continued)

At the Extraordinary General Meeting of the Company held on 13 April 2016, the shareholders approved a selective capital reduction exercise. The exercise involved reducing the share capital of the Company from \$2,408,649,000 comprising 1,546,881,101 shares to \$2,360,738,000 comprising 1,535,581,235 shares, representing a reduction of the total issued share capital of the Company by approximately 0.73%. The 11,299,866 shares were officially cancelled on 6 May 2016.

In 2015, the Company issued 1,298,600 ordinary shares upon the vesting of shares released under the Keppel Land Restricted Share Plan and Keppel Land Performance Share Plan.

The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

Keppel Land Share Option Scheme

- (a) The Company was delisted from the Official List of the Singapore Exchange Securities Trading Limited on 16 July 2015 following the completion of the voluntary unconditional cash offer and subsequent exercise under Section 215(3) of the Singapore Companies Act, Chapter 50, for shares in the Company by Keppel Corporation Limited ("KCL").
- (b) Prior to the delisting, the Company had a Keppel Land Share Option Scheme (the "Scheme"). The Company ceased to grant options under the Scheme with effect from 30 June 2010, following the Company shareholders' approval of two new share plans at the Extraordinary General Meeting of the Company held on 30 April 2010. Options granted and outstanding prior to the termination continued to be valid and subject to the terms and conditions of the Scheme until the completion of the unconditional cash offer exercise by KCL.
- (c) There were no options granted during the period from 1 January 2015 to 15 July 2015 but a total of 419,833 options were exercised in 2015. The balance 1,557,287 options were tendered in acceptance of the options proposal made by KCL and subsequently cancelled on 15 July 2015. The movements in the number of share options under the Scheme for 2015 were as follows:

	Number of Options	Weighted Average Exercise Price
At 1 January 2015	1,977,120	\$4.60
Exercised	(419,833)	\$3.38
Cancelled	(1,557,287)	\$4.93
At 31 December 2015	-	-
Exercisable at 31 December 2015	-	-

The weighted average share price at the date of exercise for options exercised in 2015 was \$4.53.

Keppel Land Share Plans

- (a) Prior to the delisting in 2015, the Company had share-based incentive plans, comprising the Keppel Land Restricted Share Plan ("KLL RSP") and Keppel Land Performance Share Plan ("KLL PSP") (collectively the "share plans"), whereby performance shares were conditionally awarded to the employees of the Company. The share plans, approved by the Company's shareholders at the Extraordinary General Meeting of the Company on 23 April 2010, were administrated by the Remuneration Committee.
- (b) Subsequent to the delisting of the Company, the Remuneration Committee decided that the existing unvested RSP and PSP will be settled in cash upon vesting. The remaining performance period for the PSP has also been reduced from three years to two years for the 2013 tranche and three years to one year for the 2014 tranche.
- (c) There were no contingent shares awarded in 2016 and 2015.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2016

13. SHARE CAPITAL (continued)

Keppel Land Share Plans (continued)

(d) Movements in the number of shares under KLL RSP and KLL PSP are as follows:

	2016		2015	
	RSP	PSP	RSP	PSP
At 1 January	1,065,254	1,070,000	2,073,719	1,410,000
Adjustment upon release	-	-	-	(38,400)
Vested	(686,604)	(370,000)	(997,000)	(301,600)
Cancelled	(49,300)	-	(11,465)	-
At 31 December	329,350	700,000	1,065,254	1,070,000

Under KLL RSP, there were 329,350 (2015: 1,065,254) restricted shares that were released but not vested as at 31 December 2016. There were no contingent awards that were granted but not released as at 31 December 2016 and 31 December 2015.

Under KLL PSP, there were contingent awards of 700,000 (2015: 1,070,000) performance shares that were granted but not released as at 31 December 2016.

There were no new grants of PSP and RSP in 2016 and 2015.

Unit Plans of a Subsidiary

Keppel REIT Management Limited ("KRML"), a previously wholly-owned subsidiary of the Group, implemented a Restricted Unit Plan ("KRML RUP") and a Performance Unit Plan ("KRML PUP") (collectively the "unit plans") for its key senior management and employees. The KRML RUP and KRML PUP were approved and administered by the Nominating and Remuneration Committee of KRML. KRML is the manager of Keppel REIT. On 1 July 2016, the Company divested its 100% interest in KRML to Keppel Capital Holdings Pte. Ltd. (a wholly-owned subsidiary of Keppel Corporation Limited) and KRML had ceased to be a subsidiary of the Group.

14. TREASURY SHARES

	GROUP AND COMPANY			
	2016 Number of Shares '000	2015 Number of Shares '000	2016 \$'000	2015 \$'000
At 1 January	-	750	-	2,446
Reissued pursuant to Keppel Land Share Option Scheme	-	(420)	-	(1,368)
Cancelled	-	(330)	-	(1,078)
	-	(750)	-	(2,446)
At 31 December	-	-	-	-

Treasury shares relate to ordinary shares of the Company that are held by the Company.

In 2015, the Company reissued 419,833 shares pursuant to Keppel Land Share Option Scheme at a weighted average exercise price of \$3.38 each.

In November 2015, the balance of the 330,667 treasury shares were cancelled in accordance with Section 76K(d) of the Singapore Companies Act, Chapter 50.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2016

15. RESERVES

	GROUP		COMPANY	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Capital reserves:				
Equity components of convertible bonds	-	44,984	-	44,984
Share option and share plan reserves	13,766	13,766	13,766	13,766
Available-for-sale asset reserve	73,836	44,920	12,515	11,172
Hedging reserve	(3,317)	11,884	329	4,948
Revaluation reserve	15,475	15,475	-	-
Gain on disposal of interest in a subsidiary without loss of control	12,932	12,932	-	-
Net premium paid on acquisition of non-controlling interests	(30,026)	(29,919)	-	-
Merger reserve	(150,118)	(2,486)	-	-
Others	16,079	9,832	178	178
	(51,373)	121,388	26,788	75,048
Foreign currency translation account	(51,504)	151,081	-	-
Revenue reserves	6,657,731	5,469,691	4,038,587	2,781,964
	6,554,854	5,742,160	4,065,375	2,857,012

The equity components of convertible bonds represent the residual amounts of the convertible bonds after deducting the fair values of the liability components. These amounts are presented net of deferred tax liabilities. It has been transferred to revenue reserve during the year.

The share option and share plan reserves represent the cumulative value of employee services received for the issue of share options and shares under the share plans.

The available-for-sale asset reserve represents the cumulative net change in fair value of available-for-sale financial assets until they are derecognised.

The hedging reserve represents the cumulative net change in fair value of the effective portion of the cash flow hedges.

The revaluation reserve represents the share of fair value change of fixed assets recognised by certain joint ventures up to the date of change in use from fixed assets to investment property. These amounts are presented net of deferred tax liabilities.

The gain on disposal of interest in a subsidiary without loss of control represents the difference between the consideration received and the book value of the interest disposed of which did not result in a loss of control.

The net premium paid on acquisition of non-controlling interests represents the difference between the consideration paid and the book value of the share of net assets acquired from the non-controlling interests.

Merger reserve represents the difference between consideration paid and equity acquired in a business combination involving entities under common control using pooling of interest method.

Others comprise mainly statutory reserve and capital redemption reserve.

The foreign currency translation account represents the exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency as well as the translation of monetary items that forms part of the Group's net investment in foreign operations.

Movements in the Group's and the Company's reserves are set out in the statements of changes in equity.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2016

15. RESERVES (continued)

Other Comprehensive Income, Net of Tax

	Capital Reserves					
	Foreign Currency Translation Account \$'000	Available-for- sale Asset Reserve \$'000	Hedging Reserve \$'000	Total \$'000	Non- controlling Interests \$'000	Total Other Comprehensive Income \$'000
GROUP						
2016						
Available-for-sale financial assets:						
Net fair value change	-	24,290	-	24,290	-	24,290
Fair value change transferred to profit and loss account	-	4,789	-	4,789	-	4,789
Cash flow hedges:						
Net fair value change	-	-	(4,773)	(4,773)	(186)	(4,959)
Exchange differences on consolidation	(162,998)	-	-	(162,998)	(25,683)	(188,681)
Exchange differences transferred to profit and loss account	2,172	-	-	2,172	(199)	1,973
Share of other comprehensive income of associates and joint ventures	(41,759)	(163)	(10,428)	(52,350)	-	(52,350)
Total other comprehensive income, net of tax	(202,585)	28,916	(15,201)	(188,870)	(26,068)	(214,938)
2015						
Available-for-sale financial assets:						
Net fair value change	-	14,765	-	14,765	(1)	14,764
Fair value change transferred to profit and loss account	-	6,397	-	6,397	-	6,397
Cash flow hedges:						
Net fair value change	-	-	1,593	1,593	273	1,866
Exchange differences on consolidation	104,551	-	-	104,551	40,402	144,953
Exchange differences transferred to profit and loss account	15,986	-	-	15,986	-	15,986
Share of other comprehensive income of associates and joint ventures	(10,364)	(226)	13,000	2,410	-	2,410
Total other comprehensive income, net of tax	110,173	20,936	14,593	145,702	40,674	186,376

The other comprehensive income of the Company relates to changes in fair value of its available-for-sale financial assets and cash flow hedge.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2016

16. FIXED ASSETS

	Freehold Land and Building \$'000	Leasehold Land and Buildings \$'000	Machinery, Equipment and Vehicles \$'000	Assets under Construction \$'000	Total \$'000
GROUP					
Cost					
At 1 January 2016	156	481,334	174,237	163,861	819,588
Additions	-	692	11,942	18,554	31,188
Disposals	-	(352)	(3,323)	-	(3,675)
Write-off	-	(5,229)	(22)	-	(5,251)
Companies acquired under common control (see Note 21)	-	9,744	11,558	763	22,065
Companies disposed (see Note 21)	-	(22,056)	(10,551)	(20)	(32,627)
Reclassification	-	72,154	45,369	(117,523)	-
Reclassified to investment property (see Note 17)	-	(77,662)	-	-	(77,662)
Exchange differences on consolidation	-	(17,572)	(118)	838	(16,852)
At 31 December 2016	156	441,053	229,092	66,473	736,774
Accumulated Depreciation and Impairment					
At 1 January 2016	140	217,351	116,500	-	333,991
Depreciation charge	16	6,128	19,415	-	25,559
Write-back of impairment (see Note 6)	-	(54,886)	(14,539)	-	(69,425)
Disposals	-	(208)	(3,147)	-	(3,355)
Write-off	-	(552)	(18)	-	(570)
Companies acquired under common control (see Note 21)	-	-	11,343	-	11,343
Company disposed (see Note 21)	-	(4,362)	(9,230)	-	(13,592)
Cost adjustments	-	-	429	-	429
Reclassified to investment property (see Note 17)	-	(27,622)	-	-	(27,622)
Exchange differences on consolidation	-	(10,567)	99	-	(10,468)
At 31 December 2016	156	125,282	120,852	-	246,290
Net Carrying Amount	-	315,771	108,240	66,473	490,484
Cost					
At 1 January 2015	156	421,129	157,546	88,720	667,551
Additions	-	400	14,761	87,070	102,231
Disposals	-	(483)	(4,985)	-	(5,468)
Write-off	-	-	(12,476)	-	(12,476)
Companies acquired (see Note 21)	-	-	59	-	59
Company disposed (see Note 21)	-	-	(372)	-	(372)
Reclassification	-	14,666	9,354	(24,020)	-
Reclassified to investment property (see Note 17)	-	-	(248)	-	(248)
Exchange differences on consolidation	-	45,622	10,598	12,091	68,311
At 31 December 2015	156	481,334	174,237	163,861	819,588
Accumulated Depreciation and Impairment					
At 1 January 2015	135	183,838	113,421	-	297,394
Depreciation charge	5	17,719	12,715	-	30,439
Disposals	-	(120)	(4,922)	-	(5,042)
Write-off	-	-	(12,183)	-	(12,183)
Company disposed (see Note 21)	-	-	(345)	-	(345)
Cost adjustments	-	13	399	-	412
Reclassification	-	(16)	16	-	-
Reclassified to investment property (see Note 17)	-	-	(102)	-	(102)
Exchange differences on consolidation	-	15,917	7,501	-	23,418
At 31 December 2015	140	217,351	116,500	-	333,991
Net Carrying Amount	16	263,983	57,737	163,861	485,597

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2016

16. FIXED ASSETS (continued)

Interest capitalised during the year was \$1,559,000 (2015: \$4,178,000).

During the year, the Group made a write-back of impairment of \$69,425,000. The write-back amount was based on the difference between the fair value and the net book value of the fixed assets provided that this amount did not exceed the carrying amount that would have been determined (net of accumulated depreciation) had no impairment loss been recognised for the fixed assets in prior years.

	Freehold Land and Building \$'000
<hr/>	
COMPANY	
Cost	
At 1 January 2016 and 31 December 2016	156
Accumulated Depreciation	
At 1 January 2016	140
Depreciation charge	16
At 31 December 2016	156
Net Carrying Amount	-
Cost	
At 1 January 2015 and 31 December 2015	156
Accumulated Depreciation	
At 1 January 2015	135
Depreciation charge	5
At 31 December 2015	140
Net Carrying Amount	16

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2016

17. INVESTMENT PROPERTIES

	Completed Investment Properties \$'000	Investment Properties under Construction \$'000	Total \$'000
GROUP			
Valuation			
At 1 January 2016	456,396	1,869,790	2,326,186
Additions	1,032	140,830	141,862
Fair value gain	7,721	61,191	68,912
Reclassification	165,154	(165,154)	-
Reclassified from fixed assets (see Note 16)	50,040	-	50,040
Reclassified from properties held for sale	-	89,131	89,131
Company acquired under common control (see Note 21)	612,000	-	612,000
Companies disposed (see Note 21)	(74,062)	-	(74,062)
Exchange differences on consolidation	(32,313)	(84,866)	(117,179)
At 31 December 2016	1,185,968	1,910,922	3,096,890
At 1 January 2015	255,107	952,017	1,207,124
Additions	1,653	74,580	76,233
Purchase of an investment property	200,935	-	200,935
Fair value gain	17,557	87,424	104,981
Reclassified from fixed assets (see Note 16)	146	-	146
Reclassified from properties held for sale	-	726,567	726,567
Company disposed (see Note 21)	(21,592)	-	(21,592)
Exchange differences on consolidation	2,590	29,202	31,792
At 31 December 2015	456,396	1,869,790	2,326,186

The Group's investment properties (including integral plant and machinery) are stated based on the following valuations (open market value basis) by independent firms of professional valuers as at 31 December 2016:

- (a) Colliers International Consultancy & Valuation (Singapore) Pte Ltd and Savills Valuation and Professional Services (S) Pte Ltd for properties in Singapore;
- (b) Colliers International (Hong Kong) Limited and Colliers International Property Services (Beijing) Co., Ltd for properties in China;
- (c) Savills Vietnam Co. Ltd for a property in Vietnam;
- (d) Savills (UK) Limited for a property in United Kingdom; and
- (e) KJPP Willson dan Rekan (an affiliate of Knight Frank) for properties in Indonesia.

The details of the valuation techniques and inputs used are disclosed in Note 37.

Properties amounting to \$517,726,000 (2015: \$434,567,000) in value and included in the above balances were mortgaged to the banks as securities for borrowings referred to in Note 30.

During the year, the Group reclassified \$89,131,000 (2015: \$726,567,000) from properties held for sale and \$50,040,000 (2015: \$146,000) from fixed assets to investment properties as the Group intends to hold these properties for capital gain and/or rental yield.

Interest capitalised during the year was \$12,128,000 (2015: \$5,736,000).

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

18. AMOUNTS OWING BY ASSOCIATES AND JOINT VENTURES

	GROUP	
	2016	2015
	\$'000	\$'000
Amounts owing by associates and joint ventures	159,103	145,498

The amounts owing by associates and joint ventures are unsecured advances which have no fixed terms of repayment and are not expected to be repaid in the next 12 months. Interest-bearing advances of \$112,601,000 (2015: \$93,212,000) bear interest at rates ranging from 2.7% to 7.0% (2015: 2.7% to 6.0%) per annum. The amounts are to be settled in cash.

19. INTANGIBLE ASSET

	GROUP
	\$'000
Cost	
At 1 January 2016 and 31 December 2015	3,245
Accumulated Amortisation	
At 1 January 2016	2,049
Amortisation	1,196
At 31 December 2016	3,245
Net Carrying Amount	
At 31 December 2016	-
Cost	
At 1 January 2015	-
Addition:	
- Acquisition of subsidiaries (Note 21)	3,245
At 31 December 2015	3,245
Accumulated Amortisation	
At 1 January 2015	-
Amortisation	2,049
At 31 December 2015	2,049
Net Carrying Amount	
At 31 December 2015	1,196

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2016

20. OTHER NON-CURRENT ASSETS

	GROUP		COMPANY	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Call option	120,600	114,600	-	-
Long term trade receivables	34,625	27,233	-	-
Derivative financial instruments	44,962	5,535	25,498	5,535
Advanced payment for purchase of an investment property	25,051	-	-	-
	225,238	147,368	25,498	5,535

The call option granted to the Group is in connection with the disposal of its 87.51% equity interest in Ocean Properties Pte. Limited to Keppel REIT in 2011. The Group has an option to acquire the same shares exercisable at the price of \$1 upon the expiry of 99 years from 14 December 2011 under the share purchase agreement. The call option may be exercised earlier upon the occurrence of certain specified events as stipulated in the call option deed.

The fair value of the call option as at 31 December 2016 is determined by reference to the difference in valuations obtained from an independent professional valuer for the underlying investment property based on the remaining 845-year leasehold and 94-year leasehold (2015: based on the remaining 846-year leasehold and 95-year leasehold). Based on these valuations, the fair value gain of \$6,000,000 (2015: \$5,100,000) was taken to the profit and loss account (see Note 6).

The details of the valuation techniques and inputs used for the call option are disclosed in Note 37.

21. SUBSIDIARIES

	COMPANY	
	2016	2015
	\$'000	\$'000
Quoted shares, at cost (Market value: \$19,105,000; 2015: \$25,052,000)	35,637	49,862
Unquoted shares, at cost	1,834,819	1,582,776
	1,870,456	1,632,638
Impairment	(304,824)	(332,004)
	1,565,632	1,300,634

During the year, an allowance for impairment loss amounting to \$6,327,000 (2015: \$18,356,000) was made in respect of the Company's investment in certain subsidiaries to reduce the carrying value of the investments to the recoverable amounts, taking into account the financial conditions of the subsidiaries. There was also a reversal of impairment of \$33,507,000 (2015: \$1,000) following the liquidation and intra-group ownership transfer of certain subsidiaries.

The details of the significant subsidiaries are disclosed in Note 41.

Significant Restrictions

Cash and cash equivalents of \$870,317,000 (2015: \$566,529,000) held in the People's Republic of China are subject to local exchange control regulations. These regulations place restriction on the amount of currency being exported other than through dividends and capital repatriation upon liquidations.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2016

21. SUBSIDIARIES (continued)

Interest in Subsidiaries with Material Non-Controlling Interest ("NCI")

The Group has a subsidiary with NCI that is material to the Group.

Name of Subsidiary	Principal Place of Business	Ownership Interest held by NCI		Profit/(loss) Allocated to NCI During the Financial Year		Accumulated NCI at the End of the Financial Year	
		2016	2015	2016	2015	2016	2015
				\$'000	\$'000	\$'000	\$'000
Sherwood Development Pte Ltd ("Sherwood")	Singapore	30%	30%	3,002	(1,397)	2,686	37

Summarised Financial Information of the Subsidiary with Material NCI

Summarised financial information including goodwill on acquisition and consolidation adjustments but before inter-company eliminations of subsidiary with material NCI are as follows:

	Sherwood	
	2016	2015
	\$'000	\$'000

Summarised Balance Sheet

Current assets, representing total assets	459,353	518,321
Non-current liabilities	227,547	503,682
Current liabilities	222,851	14,517
Total liabilities	450,398	518,199
Net assets	8,955	122

Summarised Statement of Comprehensive Income

Revenue	446,113	122,546
Profit/(loss) after tax	10,008	(4,656)
Other comprehensive income	(1,175)	796
Total comprehensive income	8,833	(3,860)

Other Summarised Information

Net cash flow from operations	101,597	17,342
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Business Combinations

- (a) On 29 December 2016, the Company acquired 70% interest in Keppel Bay Pte Ltd ("Keppel Bay") from Keppel Corporation Limited ("KCL"), holding company of the Company for a consideration of \$405,400,000. After restructuring, the Company holds 100% interest in Keppel Bay. Keppel Bay is a property developer.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2016

21. SUBSIDIARIES (continued)

Business Combinations (continued)

On the same day, the Group through its wholly-owned subsidiary, Agathese Pte Ltd acquired 39% and 31% interest of Harbourfront One Pte Ltd ("HF1") from Keppel Point Pte Ltd (a 30% owned associate of the Group and a wholly-owned subsidiary of KCL) and Esqin Pte Ltd (a wholly-owned subsidiary of KCL) respectively for a total consideration of \$510,300,000. After the restructuring, the Group holds 100% interest in HF1. HF1 is the owner of Keppel Bay Tower.

The Group adopted predecessor accounting, applying the pooling of interest method from the date of acquisition. No goodwill has resulted from the acquisition. The difference between the consideration paid and the equity acquired of \$147,632,000 is reflected as merger reserve.

- (b) On 2 January 2015, the Group through its wholly-owned subsidiary, Straits Property Management Pte Ltd, acquired a 75% interest in Array Real Estate Pte. Ltd. ("Array", now known as Keppel Land Retail Management Pte Ltd) from Array Holdings Private Limited ("AHPL") for a cash consideration of \$4,500,000. The remaining 25% stake continues to be held by AHPL. The principal activities of Array and its four wholly-owned subsidiaries, Array Consultancy Pte. Ltd. (now known as Keppel Land Retail Consultancy Pte Ltd), Guthrie Realty Pte. Ltd. (now known as Array Realty Pte Ltd), Guthrie Construction & Retrofitting (S) Pte Ltd (now known as Array Construction Pte Ltd) and Guthrie Mall Management Services Co. Ltd (now known as Taimall Management Services Co Ltd), are the provision of retail mall management services, project management services, retail properties marketing and leasing services.

The net assets of the subsidiaries acquired and the net cash outflow were as follows:

	2016 \$'000	2015 \$'000
Investment properties	612,000	-
Fixed assets	10,722	59
Properties held for sale	906,142	-
Stocks	36	-
Intangible asset	-	3,245
Debtors	91,233	2,795
Deferred tax assets	1,959	-
Cash and cash equivalents	22,959	2,210
Creditors	(134,084)	(2,649)
Amounts owing to related companies	(584,733)	-
Tax provision	(42,980)	(201)
Deferred tax liabilities	(3,943)	(562)
Total net identifiable assets	879,311	4,897
Non-controlling interests measured at non-controlling interests' proportionate share of the net assets	-	(1,224)
Amount previously accounted for as associates	(263,762)	-
Net assets acquired	615,549	3,673
Merger reserve arising from acquisition under common control	147,632	-
Assumption of shareholders' loans	34,848	-
Goodwill arising from acquisition	-	827
Total purchase consideration	798,029	4,500
Less:		
Deferred payment	(26,600)	-
Cash and cash equivalents acquired	(22,959)	(2,210)
Net cash outflow on acquisition	748,470	2,290

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2016

21. SUBSIDIARIES (continued)

Acquisition from Non-Controlling Interests

- (a) On 13 December 2016, the Group through its wholly owned subsidiary, VN Investment Pte Ltd acquired an additional 40% stake in Riveria Cove Joint Venture Limited Liability, which was held by Hung Phu Real Estate Investment Corporation. The consideration amounted to VND 131.46 billion (approximately \$8.3 million). The excess of the consideration paid over the net book value of assets acquired amounted to \$107,000 and was taken into equity.
- (b) On 6 March 2015, the Group completed the acquisition of an additional 43% effective stake in Phases 2 and 3 of a high-rise residential development integrated with retail component (known as Estella Heights) in Ho Chi Minh City ("HCMC"), Vietnam. This was done through the acquisition of 43% of the capital contribution held by Tien Phuoc Co., Ltd in Estella Joint Venture Company Limited, for a purchase consideration of VND 243.9 billion (approximately \$15.7 million). Following this acquisition, the Group owns 98% in Estella Joint Venture Company Limited. The excess of the consideration paid over the net book value of assets acquired amounted to \$5,081,000 and was taken into equity.

Disposal of subsidiaries

- (a) On 26 February 2016, the Group through its wholly-owned subsidiary, Edmonton Pte Ltd, completed the sale of its 60% interest in Keppel C T Developments (Private) Limited ("KCT") to C T Properties Limited ("CTPL") for a consideration of \$5,174,000, giving rise to a net loss of \$4,439,000. The remaining 40% of the total issued and paid up share capital of KCT is held by CTPL.
- (b) On 4 March 2016, the Company disposed off its 45.45% interest in Keppel Thai Properties Public Company Limited ("KTP") and 100% interest in Hampshire Pte. Ltd. to Hong Kong King Wai Real Estate Group Company Limited, for an aggregate consideration of \$11,520,000. The consideration included the novation of all sums due or owing by Top Property Company Limited (a 61% owned subsidiary of KTP) to Keppel Land Financial Services Pte Ltd (a wholly-owned subsidiary of the Company). The Group realised a net gain of \$7,526,000.
- (c) On 4 April 2016, the Group through its 84% owned subsidiary, Palmsville Investment Pte Ltd, disposed off its 70% of the paid-up charter capital of Quang Ba Royal Park Joint Venture Company Ltd to BRG Group Joint Stock Company. The consideration amounted to \$39,229,000, giving rise to a net gain of \$3,964,000 (after accounting for non-controlling interest).
- (d) On 27 June 2016, the Group through its wholly-owned subsidiary, Third Dragon Development Pte. Ltd, divested its entire 95% interest in Jiangyin Yangtze International Country Club Co., Ltd for a cash consideration of \$10,839,000, giving rise to a net gain of \$469,000.
- (e) On 1 July 2016, the Company disposed off its 100% interest in two of its subsidiaries, Keppel REIT Management Limited and Alpha Investment Partners Limited to Keppel Capital Holdings Pte. Ltd., a wholly-owned subsidiary of KCL. The aggregate consideration was \$680 million, giving rise to a net total gain of \$562,982,000.
- (f) On 13 July 2016, the Company divested its 55% interest in Fernland Investment Pte Ltd ("Fernland") to Prime Value Asia Limited for a consideration of \$8,052,000. The Group recognised a net gain of \$1,758,000. Fernland owns 78.58% of the paid up capital in International Centre Company Limited, which holds an office building in Hanoi, Vietnam.
- (g) On 13 December 2016, the Group through its wholly-owned subsidiary, Belwynn Pte. Ltd. divested its 60% stake in Belwynn Hung Phu Joint Venture Limited Liability to Hung Phu Real Estate Investment Corporation for a consideration of \$20,607,000. The Group realised a net gain of \$856,000.
- (h) On 19 May 2015, the Group through its wholly-owned subsidiary, PT Keppel Land, disposed off its 80% interest in PT Sentral Supel Perkasa ("PT SSP") to Silverise Enterprise Limited ("SEL") and its related corporation, PT Pelangi Arjuna. The remaining 20% of the total issued and paid up share capital of PT SSP is held by SEL. The Group realised a net gain of \$13,764,000 (after accounting for withholding tax).

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2016

21. SUBSIDIARIES (continued)

The net assets of the subsidiaries disposed off and the net cash inflow were as follows:

	2016 \$'000	2015 \$'000
Fixed assets	19,035	27
Investment properties	74,062	21,592
Investment in an associate	24,358	-
Long term investments	54	-
Properties held for sale	48,745	-
Stocks	302	-
Debtors	66,332	1,197
Cash and cash equivalents	98,918	8,281
Creditors	(39,497)	(3,467)
Amounts owing to related companies	(6,102)	86
Short term borrowings	(45,176)	-
Tax provision	(10,221)	(34)
Deferred tax liabilities	(5,260)	(649)
Non-controlling interests deconsolidated	(35,978)	(5,407)
Net assets disposed	189,572	21,626
Sales consideration	775,463	46,899
Less:		
Deferred consideration	(682,695)	-
Cash and cash equivalents disposed	(98,918)	(8,281)
Net cash (outflow)/inflow on disposal	(6,150)	38,618

22. ASSOCIATES AND JOINT VENTURES

	GROUP		COMPANY	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Investments, at cost	1,941,198	2,125,198	87,244	88,720
Share of post-acquisition reserves	506,061	678,161	-	-
	2,447,259	2,803,359	87,244	88,720
Impairment	-	-	(18,621)	(18,621)
Investments in associates	2,447,259	2,803,359	68,623	70,099
Investments, at cost	441,814	390,201	-	-
Share of post-acquisition reserves	97,374	79,204	-	-
Investments in joint ventures	539,188	469,405	-	-
Total	2,986,447	3,272,764	68,623	70,099

No impairment loss was made in both 2016 and 2015 in respect of the Company's investments in associates.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2016

22. ASSOCIATES AND JOINT VENTURES (continued)

	GROUP		COMPANY	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Investments in associates and joint ventures is represented by:				
Quoted investments (Market value: \$1,515,734,000; 2015: \$1,377,195,000)	1,954,803	1,941,115	-	-
Unquoted investments	1,031,644	1,331,649	68,623	88,720
	<u>2,986,447</u>	<u>3,272,764</u>	<u>68,623</u>	<u>88,720</u>

Acquisitions and disposals in 2016

- (a) On 15 January 2016, the Group through a wholly-owned subsidiary, DC REIT Holdings Pte. Ltd. ("DCRH"), acquired an aggregate 22.4% stake in PRE 1 Investments Pte. Ltd. ("PRE 1") from BHG Holdings Pte. Ltd., Imagine Properties Pte. Ltd. and Perennial Singapore Investment Holdings Pte. Ltd. for an aggregate cash consideration of \$50.5 million. PRE 1 owns 112 Katong lifestyle mall. The remaining 77.6% stake is held by a fund managed through Alpha Investment Partners Limited ("Alpha"). Alpha is a wholly-owned subsidiary of Keppel Capital Holdings Pte. Ltd. (a wholly-owned subsidiary of Keppel Corporation Limited). Keppel Land Retail Management Pte Ltd, a 75% owned subsidiary, is the retail manager for the property.

On the same day, DCRH also acquired 23 ordinary shares in the capital of Katong AMC Pte. Ltd. ("Katong AMC"), representing 23% of the issued share capital of Katong AMC from PRE 2 Investments Pte. Ltd. for a nominal cash consideration of \$1.00. Katong AMC is the trust manager of 112 Katong lifestyle mall and it has an asset management agreement with the owners of the property to provide certain asset management services.

- (b) On 2 March 2016, the Group through its wholly owned subsidiary, Corredance Pte. Ltd. entered into an investment agreement to subscribe for 40% equity interest in Empire City Limited Liability Company ("EC") for a total consideration of US\$93.9 million. EC will develop a prime waterfront site in the Thu Thiem New Urban Area, located in District 2 of Ho Chi Minh City, Vietnam.
- (c) On 21 March 2016 and 27 September 2016, the Group through its wholly-owned subsidiaries, Keppel Land Thu Thiem Pte Ltd and Orbista Pte Ltd, entered into a sale and purchase agreement with a shareholder of Quoc Loc Phat Joint Stock Company ("QLP") to acquire 20% and 25% respectively of the total issued share capital of QLP. The considerations for the acquisition of 20% and 25% equity interests amount to VND 329,862,036,000 (approximately \$20.4 million) and VND 412,327,545,000 (approximately \$25.6 million) respectively. QLP is a company incorporated in Vietnam and its activities involve real estate development, particularly in Ho Chi Minh City, Vietnam.
- (d) On 15 September 2016, the Group through a 42.5% associate, Equity Central Holdings Limited, entered into a sales and purchase agreement to dispose off its 80% interest in Sparkle Bright Holdings Limited which owns Life Hub @ Jinqiao, a mixed-use development in Shanghai, China for a share of consideration of approximately US\$219.5 million.

Acquisitions in 2015

- (a) The Group through its wholly-owned subsidiary, Keppel Land China Limited, entered into a sale and purchase agreement with Excel Guardian Limited, an indirect subsidiary of China Vanke Co Ltd to acquire the entire issued and paid up share capital of Mainlandcn Seven Company Limited ("Mainlandcn Seven"), Mainlandcn Seven indirectly owns a 35% interest in a property development company, Chengdu Taixin Real Estate Development Co., Ltd, which owns and develops a residential site in Pi County, Chengdu, China.
- (b) The Group through its indirectly owned subsidiary, Tinterland Pte. Ltd., completed the acquisition of a 40% stake in City Square Office Co., Ltd ("CSO"). CSO is the owner cum developer of an office tower which forms part of Junction City development in Yangon, Myanmar. The remaining 60% of CSO is owned by Shwe Taung Junction City Development Co., Ltd. and City Square Development Pte. Ltd..

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2016

22. ASSOCIATES AND JOINT VENTURES (continued)

Acquisitions in 2015 (continued)

- (c) The Group through its indirectly owned subsidiary, Orizona Pte. Ltd., completed the acquisition of a 40% stake in CSO Asset Management Co., Ltd. ("CSO AM"). CSO AM is the asset and property manager of the office development in Junction City in Yangon, Myanmar. The remaining 60% of CSO AM is owned by Tanzanite Co., Ltd..
- (d) The Group through its wholly-owned subsidiary, Ibeworth Pte Ltd, acquired 7,100,000 new ordinary shares (representing a 5.02% of the total issued shares) in Nam Long Investment Corporation ("Nam Long") for a consideration of VND140,580 million (approximately \$8.7 million). The Group determined that it has significant influence over Nam Long as it has board representation.
- (e) The Group through its wholly-owned subsidiary, K-Commercial Management Pte Ltd, completed a share purchase agreement with Mapletree Investments Pte Ltd to acquire 30% interest in Harbourfront One Pte Ltd, which owns Keppel Bay Tower, for a consideration of \$180.9 million.

The details of the significant associates and joint ventures are disclosed in Note 41.

The Group's share of net results of associates and joint ventures is as follows:

	2016			2015		
	Associates \$'000	Joint Ventures \$'000	Total \$'000	Associates \$'000	Joint Ventures \$'000	Total \$'000
Share of pre-tax profit before fair value gain on investment properties	234,212	36,048	270,260	172,095	38,600	210,695
Share of fair value gain on investment properties (see Note 10)	45,343	19,164	64,507	146,420	12,067	158,487
Share of pre-tax profit	279,555	55,212	334,767	318,515	50,667	369,182
Share of taxation (see Note 11)	(26,437)	(15,613)	(42,050)	(39,446)	(11,014)	(50,460)
Share of net results	253,118	39,599	292,717	279,069	39,653	318,722

The Group has equity accounted for all its associates and joint ventures. There are no material joint ventures and the material associates are as follows:

Name of Associate	Principal Place of Business	Ownership Interest/ Voting Rights Held		Fair Value of Ownership Interest (If Listed)	
		2016	2015	2016 \$'000	2015 \$'000
Keppel REIT	Singapore	45%	46%	1,505,741	1,367,037
Equity Rainbow II Pte Ltd ("Equity Rainbow II")	China	43%	43%	Not Applicable	Not Applicable

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2016

22. ASSOCIATES AND JOINT VENTURES (continued)

The other associates and joint ventures are individually immaterial to the Group. Aggregate information about the Group's investments in associates and joint ventures that are individually immaterial are as follows:

	Associates		Joint Ventures	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Profit after tax	60,328	88,822	39,599	39,653
Other comprehensive income	(10,573)	1,162	(8,616)	14,687
Total comprehensive income	49,755	89,984	30,983	54,340
Carrying amount of the investments	501,788	620,195	539,188	469,405

Summarised financial information in respect of Keppel REIT and Equity Rainbow II, based on their FRS financial statements and a reconciliation with the carrying amount of the investments in the consolidated financial statements are as follows:

	Keppel REIT		Equity Rainbow II	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Summarised Balance Sheet				
Non-current assets	7,245,132	7,261,469	-	934,317
Current assets	290,193	163,949	52,484	51,623
Total assets	7,535,325	7,425,418	52,484	985,940
Non-current liabilities	2,728,739	2,709,452	42,990	349,071
Current liabilities	59,869	89,945	9,356	46,949
Total liabilities	2,788,608	2,799,397	52,346	396,020
Net assets	4,746,717	4,626,021	138	589,920
Proportion of the Group's ownership	45%	46%	43%	43%
Group's share of net assets	2,128,798	2,114,328	59	250,716
Other adjustments	(183,386)	(181,880)	-	-
Carrying amount of the investments	1,945,412	1,932,448	59	250,716
Summarised Statement of Comprehensive Income				
Revenue	161,252	170,347	52,069	61,429
Profit after tax	257,787	338,848	178,196	85,159
Other comprehensive income	9,217	(47,713)	(52,341)	-
Total comprehensive income	267,004	291,135	125,855	85,159
Dividends received	90,922	73,425	146,452	-

As at 31 December 2016 and 31 December 2015, the fair value of Keppel REIT was below the carrying amount of the Group's effective ownership interest. Management is of the view that no impairment is required as it is held for long term and its recoverable amount approximates the carrying amount.

The Group's share of the capital commitments of the associates and joint ventures are disclosed in Note 33.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2016

23. LONG-TERM INVESTMENTS

	GROUP		COMPANY	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Quoted investments	66,118	43,966	-	-
Unquoted investments	16,062	14,720	16,056	14,713
Private property funds	174,155	162,664	-	-
	256,335	221,350	16,056	14,713

The details of the valuation techniques and inputs used are disclosed in Note 37.

24. PROPERTIES HELD FOR SALE

	GROUP	
	2016	2015
	\$'000	\$'000
(a) Properties under development:		
Land costs	3,049,564	3,694,944
Development cost incurred to date	854,979	1,164,175
Overhead expenditure and recognised profit	282,593	344,592
Progress billings	(189,417)	(224,068)
Allowance for foreseeable losses	(72,416)	(73,144)
	3,925,303	4,906,499
<u>Analysis of allowance for foreseeable losses:</u>		
At 1 January	(73,144)	(17,165)
Utilisation	15,155	-
Allowance	(26,461)	(55,903)
Company disposed	11,683	-
Exchange differences on consolidation	351	(76)
At 31 December	(72,416)	(73,144)
(b) Completed properties held for sale	2,004,393	1,007,524
Allowance for foreseeable losses	-	(3,815)
	2,004,393	1,003,709
<u>Analysis of allowance for foreseeable losses:</u>		
At 1 January	(3,815)	(4,243)
Write-back of allowance	453	432
Company disposed	3,313	-
Exchange differences on consolidation	49	(4)
At 31 December	-	(3,815)
	5,929,696	5,910,208

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2016

24. PROPERTIES HELD FOR SALE (continued)

Progress billings amounting to \$424,376,000 (2015: \$342,162,000) relating to properties under development where revenue is recognised upon completion of construction are presented as progress billings within creditors (see Note 29).

Interest capitalised during the year was \$46,344,000 (2015: \$48,548,000) at rates ranging from 0.93% to 3.91% (2015: 1.16% to 3.30%) per annum for Singapore properties and 0.05% to 15.00% (2015: 0.05% to 15.00%) per annum for overseas properties.

The allowance for foreseeable losses is estimated taking into account estimated selling prices and estimated total construction costs. The estimated selling prices are based on recent selling prices for the development project or comparable projects and the prevailing market conditions. The estimated total construction costs include contracted amounts plus estimated costs to be incurred based on historical trends. The allowance is progressively reversed for those residential units sold above their carrying amounts.

Properties amounting to \$2,019,439,000 (2015: \$1,760,257,000) in value and included in the above balances were mortgaged to the banks as securities for borrowings as referred to in Note 30.

Included in the land costs and completed properties held for sale are payments of \$249,082,000 and \$5,051,000 respectively (2015: \$271,966,000 and \$7,897,000 respectively) for certain land parcels which have been awarded by the authorities but the issuance of title deeds are in progress.

The following table provides information about agreements that are in progress at the end of the financial year whose revenues are recognised on a percentage of completion basis:

	GROUP	
	2016	2015
	\$'000	\$'000
Aggregate amount of costs incurred and recognised profit (less recognised losses) to date	1,437,034	1,898,092
Less: Progress billings	(189,417)	(224,068)
	1,247,617	1,674,024

25. STOCKS

	GROUP	
	2016	2015
	\$'000	\$'000
Spare parts and consumable stocks	2,597	5,138

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2016

26. DEBTORS

	GROUP		COMPANY	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
(a) Trade debtors	464,249	314,680	-	-
Allowance for doubtful debts	(167)	(657)	-	-
	<u>464,082</u>	<u>314,023</u>	<u>-</u>	<u>-</u>
(b) Other debtors:				
Deposits paid	6,960	22,563	-	-
Interest receivable	880	13,056	-	-
Advances to non-controlling shareholders of certain subsidiaries	69,789	147,414	-	-
Advances to subcontractors	21,159	20,234	-	-
Derivative financial instruments	295	1,175	-	-
Other debtors	29,315	22,606	-	-
Other recoverable amounts	8,331	18,723	2,543	307
	<u>136,729</u>	<u>245,771</u>	<u>2,543</u>	<u>307</u>
Allowance for doubtful debts	(1,044)	(21,218)	-	-
	<u>135,685</u>	<u>224,553</u>	<u>2,543</u>	<u>307</u>
(c) Non-financial assets:				
Prepaid project costs and prepayments	41,520	37,334	102	155
	<u>641,287</u>	<u>575,910</u>	<u>2,645</u>	<u>462</u>
	GROUP		COMPANY	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<u>Trade debtors that are past due but not impaired:</u>				
Past due < 3 months and not impaired	3,297	3,714	-	-
Past due 3 - 6 months and not impaired	1,705	894	-	-
Past due > 6 months and not impaired	3,076	8,557	-	-
	<u>8,078</u>	<u>13,165</u>	<u>-</u>	<u>-</u>
<u>Analysis of allowance for doubtful debts - Trade:</u>				
At 1 January	(657)	(706)	-	-
Write-back/(allowance)	502	(102)	-	-
Write-off against allowance	-	100	-	-
Company acquired under common control	(47)	-	-	-
Companies disposed	-	56	-	-
Exchange differences on consolidation	35	(5)	-	-
At 31 December	<u>(167)</u>	<u>(657)</u>	<u>-</u>	<u>-</u>
<u>Analysis of allowance for doubtful debts - Non-trade:</u>				
At 1 January	(21,218)	(20,182)	-	-
Allowance	(63)	(1,036)	-	-
Write-off against allowance	20,245	-	-	-
Exchange differences on consolidation	(8)	-	-	-
At 31 December	<u>(1,044)</u>	<u>(21,218)</u>	<u>-</u>	<u>-</u>

Trade and other debtors that are individually determined to be impaired at the balance sheet date relate to debtors that are in significant financial difficulties and/or have defaulted on payments.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2016

26. DEBTORS (continued)

Included in trade debtors are accrued receivables on completed properties held for sale of \$337,803,000 (2015: \$242,811,000).

Advances to non-controlling shareholders of certain subsidiaries have no fixed terms of repayment. Interest-bearing advance of \$7,611,000 (2015: \$8,888,000) is charged at rate of 2.11% to 2.36% (2015: 1.76% to 3.70%) per annum and advances of \$41,927,000 (2015: \$114,002,000) are unsecured.

27. AMOUNTS OWING BY/TO HOLDING COMPANY AND RELATED PARTIES

	GROUP		COMPANY	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Advances owing by:				
Subsidiaries	-	-	7,048,438	7,189,750
Associates and joint ventures	111,506	71,636	4,738	7,945
Current accounts owing by:				
Holding company	565	552	-	-
Related companies	685,112	1,857	680,002	2
	797,183	74,045	7,733,178	7,197,697
Allowance for doubtful debts	-	-	(320,103)	(406,303)
	797,183	74,045	7,413,075	6,791,394
Advances owing to:				
Subsidiaries	-	-	705,862	975,100
Associates and joint ventures	20,920	15,479	55,651	11,775
Current accounts owing to:				
Holding company	27,609	781	26,600	-
Related companies	45,612	1,770	-	-
	94,141	18,030	788,113	986,875
			COMPANY	
			2016	2015
			\$'000	\$'000

Analysis of allowance for doubtful debts:

At 1 January	(406,303)	(282,530)
Write-back/(Allowance)	86,200	(123,773)
At 31 December	(320,103)	(406,303)

Advances owing by/to subsidiaries are unsecured, have no fixed terms of repayment and are to be settled in cash. Interest-bearing advances of \$2,538,792,000 (2015: \$2,762,478,000) to subsidiaries are charged at rates ranging from 0.10% to 3.90% (2015: 0.30% to 3.90%) per annum. During the year, a write-back of doubtful debts of \$86,200,000 (2015: an allowance of \$123,773,000) was made in respect of the advances owing by certain subsidiaries after taking into account the financial conditions of these subsidiaries.

Advances owing by associates and joint ventures are unsecured, have no fixed terms of repayment and are to be settled in cash. There were no interest-bearing advances as at 31 December 2016. The interest-bearing advances of \$2,928,000 as at 31 December 2015 are charged at 4.5% to 8.0% per annum.

Advances owing to associates and joint ventures are unsecured, have no fixed terms of repayment and are to be settled in cash. Interest-bearing advances of \$5,318,000 as at 31 December 2016 are charged at 8.90% per annum. There were no interest-bearing advances as at 31 December 2015.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

27. AMOUNTS OWING BY/TO HOLDING COMPANY AND RELATED PARTIES (continued)

Current accounts owing by/to holding company and related companies are interest-free, unsecured, have no fixed terms of repayment and are to be settled in cash.

28. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Fixed deposits with banks	909,912	634,349	-	-
Bank balances and cash	288,759	263,621	32	158
Deposits with related companies	374,829	792,990	5,273	4,837
Cash sweep with a related company	4,392	1,165	100	1,018
	<u>1,577,892</u>	<u>1,692,125</u>	<u>5,405</u>	<u>6,013</u>

Fixed deposits with banks and deposits with related companies mature in varying periods, substantially between 1 day to 3 months (2015: substantially between 1 day to 3 months) from the financial year-end. The weighted average effective interest rates as at 31 December 2016 for the Group and the Company were 1.82% (2015: 1.41%) and 0.39% (2015: 0.40%) respectively.

The Group has a daily cash sweep arrangement with a related company for overnight deposits at interest rate of 0.13% (2015: 0.13%) per annum, subjected to an arrangement with a bank where bank balances are transferred from/to a bank account of the related company on a daily basis.

	GROUP	
	2016	2015
	\$'000	\$'000
(a) Amounts held under project accounts, withdrawals from which are restricted to payments for expenditures incurred on projects	<u>144,633</u>	<u>124,480</u>
(b) Amounts held in escrow accounts for the acquisition of land and investment	<u>68,306</u>	<u>33,723</u>

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2016

29. CREDITORS

	GROUP		COMPANY	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Trade creditors	68,724	140,007	-	-
Loans from non-controlling shareholders of certain subsidiaries	180,376	186,889	-	-
Accrual for staff costs and other overheads	108,833	103,721	-	-
Accrual for development costs	739,952	609,365	-	-
Accrual for business and other taxes	78,231	135,910	-	-
Retention monies	136,532	128,572	-	-
Deposits received	39,086	18,704	-	-
Interest payable	7,705	16,341	4,993	5,912
Derivative financial instruments	752	254	-	-
Deferred payment in relation to acquisition of associates	34,787	-	-	-
Other payables	158,824	154,114	18,071	12,700
	<u>1,553,802</u>	<u>1,493,877</u>	<u>23,064</u>	<u>18,612</u>
Non-financial liabilities:				
Advanced payment received in relation to disposal of a joint venture	77,688	-	-	-
Progress billings (see Note 24)	424,376	342,162	-	-
Obligations due to third parties	185,661	189,314	-	-
	<u>687,725</u>	<u>531,476</u>	<u>-</u>	<u>-</u>
	<u>2,241,527</u>	<u>2,025,353</u>	<u>23,064</u>	<u>18,612</u>

The loans from the non-controlling shareholders of certain subsidiaries are unsecured and have no fixed terms of repayment. Interest-bearing loans from the non-controlling shareholders amounted to \$49,057,000 (2015: \$35,344,000) and interest is payable at rates ranging from 2.03% to 4.31% (2015: 1.20% to 4.50%) per annum.

The obligations due to third parties represent the Group's obligations under a contractual agreement with third parties entered into by a subsidiary. The obligations are to be settled by delivering property in-kind according to the agreement.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2016

30. BORROWINGS

	GROUP		COMPANY	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<u>Short-term borrowings</u>				
Borrowings under MTN Programme	99,964	-	99,964	-
Bank borrowings:				
Secured	369,307	8,800	-	-
Unsecured	135,671	74,835	-	29,985
	504,978	83,635	-	29,985
Unsecured loans from a related company	544,827	140	-	-
	<u>1,149,769</u>	<u>83,775</u>	<u>99,964</u>	<u>29,985</u>
<u>Long-term borrowings</u>				
Borrowings under MTN Programmes	786,873	880,700	429,182	528,946
Bank borrowings:				
Secured	542,174	1,051,016	-	-
Unsecured	1,435,524	1,626,865	1,338,682	1,362,036
	1,977,698	2,677,881	1,338,682	1,362,036
Unsecured loans from related companies	121,563	88,401	-	-
	<u>2,886,134</u>	<u>3,646,982</u>	<u>1,767,864</u>	<u>1,890,982</u>
	<u>4,035,903</u>	<u>3,730,757</u>	<u>1,867,828</u>	<u>1,920,967</u>

The Company has a US\$800 million Multicurrency Medium Term Note ("US\$800 million MTN") Programme under which it can issue notes (the "Notes") in series or tranches and may be denominated in Singapore dollars, United States dollars or other currency deemed appropriate at the time. The unsecured Notes comprise fixed rate notes of \$100,000,000, \$100,000,000, \$200,000,000 and \$130,000,000 due in 2017, 2020, 2022 and 2024 respectively with interest rates ranging from 2.83% to 3.90% (2015: 2.83% to 3.90%) per annum.

The Company and its wholly-owned subsidiary, Keppel Land Financial Services Pte. Ltd. ("KLFS") (collectively, the "Issuers") have a US\$3 billion Multicurrency Medium Term Note ("US\$3 billion MTN") Programme pursuant to which the Issuers may, from time to time, issue notes or perpetual securities (the "Securities") in series or tranches and denominated in any currency agreed between the relevant issuer and the relevant dealers in relation to each issue of Securities and as specified in the applicable pricing supplement. The long-term unsecured Notes issued by KLFS, which are guaranteed by the Company, comprise fixed rate notes of US\$250,000,000 due in 2019 with interest rate at 3.259% per annum.

There were no issuance of notes under both MTN Programmes in 2016 and 2015.

The Group's secured bank borrowings are generally secured by:

- mortgages on the borrowing subsidiaries' investment properties (see Note 17) and properties held for sale (see Note 24); and
- assignment of all rights, titles and benefits with respect to some of the properties mortgaged.

The secured bank borrowings are repriced within 4 days to 3 months (2015: 4 days to 3 months), and are repayable between 6 months to 3 years (2015: 6 months to 4 years). The unsecured bank borrowings are repriced within 3 days to 3 months (2015: within 4 days to 9 months).

Unsecured loans from related companies are repriced within 4 days to 3 months (2015: within 4 days) and are repayable between 3 weeks to 3 years (2015: 3 years).

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30. BORROWINGS (continued)

Convertible Bond

On 29 November 2010, the Company issued a \$500,000,000 1.875%, 5-year convertible bond. Interest was payable semi-annually. The bond had matured on 29 November 2015. Prior to the maturity, the bondholders had the option of converting the bond into ordinary shares of the Company at the conversion price of \$6.72 per share. On 25 April 2012, pursuant to the exercise of conversion rights of the bondholder, \$200,000 of the bond was converted and cancelled. On 18 August 2015, an aggregate amount of \$160,500,000 of the bond was redeemed and subsequently cancelled pursuant to the exercise of the Delisting Put Right of the bonds by the bondholders. The Company redeemed \$339,300,000 of the bond upon maturity on 29 November 2015.

The liability components of the convertible bond for 2015 were recognised on the balance sheet as follows:

GROUP AND COMPANY	
\$'000	
At 1 January 2015	495,649
Interest expense (see Note 9)	11,899
Interest paid/accrued	(7,748)
Redemption upon maturity	(499,800)
At 31 December 2015	-

In 2015, interest expense on the bond was calculated based on the effective interest method by applying the interest rate of 2.50% per annum for equivalent non-convertible bond to the liability components of the bond.

The range of interest rates (per annum) during the year on the Group's borrowings, except for borrowings under the MTN Programmes and convertible bonds, are as follows:

	2016		2015	
	Lowest Interest Rate %	Highest Interest Rate %	Lowest Interest Rate %	Highest Interest Rate %
Secured bank borrowings	0.93	10.89	1.16	10.59
Unsecured bank borrowings	0.69	10.69	0.62	9.40
Unsecured loans from related companies	1.21	3.40	1.19	4.20

Borrowings due after 1 year are to be repayable as follows:

	GROUP		COMPANY	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
After 1 year but within 2 years	988,570	667,924	679,272	99,911
After 2 years but within 5 years	1,568,172	2,649,759	759,200	1,461,772
After 5 years	329,392	329,299	329,392	329,299
	2,886,134	3,646,982	1,767,864	1,890,982

Included in borrowings due after 1 year but within 2 years and after 2 years but within 5 years are unsecured loans due to related companies by the Group of \$71,063,000 (2015: \$5,408,000) and \$50,500,000 (2015: \$82,993,000) respectively.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2016

31. OTHER NON-CURRENT LIABILITIES

	GROUP		COMPANY	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Loans from non-controlling shareholders	68,264	64,230	-	-
Staff costs payable after 1 year	18,484	20,324	-	1,840
Derivative financial instruments	108	1,912	108	588
	86,856	86,466	108	2,428

The loan from non-controlling shareholder is unsecured, denominated in Singapore dollar with interest payable at 2.5% (2015: 2.5%) per annum and is repayable after 2 years but within 5 years.

32. SEGMENT REPORTING

For management purposes, the Group is organised into strategic business units based on their products, services and geography. The Group has five reportable operating segments as follows:

- (a) Property trading
 - Develops residential properties and townships in Asia, primarily Singapore, China, Indonesia and Vietnam.
- (b) Property investment
 - Owns/manages office and other commercial properties, primarily Singapore, China, Indonesia and Vietnam.
- (c) Fund management
 - Involves in property investment and fund management in Asia. On 1 July 2016, the Group divested its fund management business to its related company, Keppel Capital Holdings Pte. Ltd..
- (d) Hotels and resorts
 - Involves in management and operation of hotels and resorts in China, Indonesia and Myanmar.
- (e) Others
 - Is the aggregate of corporate services, property services and others.

Management monitors the results of each of the above operating segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on net profit or loss.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Information regarding the Group's reportable segments is presented below.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2016

32. SEGMENT REPORTING (continued)

2016	Property Trading \$'000	Property Investment \$'000	Fund Management \$'000	Hotels and Resorts \$'000	Others ⁽¹⁾ \$'000	Inter- segment Elimination \$'000	Total \$'000
Sales							
External sales	1,697,386	23,033	54,465	52,590	32,477	-	1,859,951
Inter-segment sales	83	724	-	4,722	111,376	(116,905)	-
Total	1,697,469	23,757	54,465	57,312	143,853	(116,905)	1,859,951
Results							
EBITDA ⁽²⁾	207,919	27,899	30,285	11,461	15,553	-	293,117
Depreciation and amortisation	(9,553)	(314)	(147)	(14,035)	(2,706)	-	(26,755)
Investment income	-	11,914	-	-	640	-	12,554
Net interest (expenses)/income	4,004	(6,304)	502	(10,167)	(11,013)	-	(22,978)
Share of results of associates and joint ventures	70,755	244,452	1,832	(3)	17,731	-	334,767
Net gain from disposal of subsidiaries	4,412	6,574	-	-	562,982	-	573,968
Reversal of impairment provision	-	-	-	69,425	-	-	69,425
Fair value gain on call option	-	6,000	-	-	-	-	6,000
Loss on change in interest in an associate	-	(1,769)	-	-	-	-	(1,769)
Pre-tax profit before fair value gain on investment properties	277,537	288,452	32,472	56,681	583,187	-	1,238,329
Fair value gain on investment properties	-	62,239	-	-	-	-	62,239
Pre-tax profit after fair value gain on investment properties	277,537	350,691	32,472	56,681	583,187	-	1,300,568
Taxation	(87,048)	(31,121)	(4,154)	6	(11,598)	-	(133,915)
Profit for the year	190,489	319,570	28,318	56,687	571,589	-	1,166,653
Non-controlling interests	(5,646)	(10,292)	-	(1,153)	(249)	-	(17,340)
Net profit	184,843	309,278	28,318	55,534	571,340	-	1,149,313
Other information							
Segment assets	8,587,877	5,809,980	-	402,221	3,973,840	(2,576,420)	16,197,498
Segment liabilities	(3,962,313)	(1,110,932)	-	(422,508)	(3,962,541)	2,576,420	(6,881,874)
Net assets/(liabilities)	4,625,564	4,699,048	-	(20,287)	11,299	-	9,315,624
Investments in associates and joint ventures	740,233	2,171,469	3,427	(3,010)	74,328	-	2,986,447
Additions to non- current assets ⁽³⁾	187,089	163,004	239	22,334	870	-	373,536
Geographical information ⁽⁴⁾				Singapore \$'000	China \$'000	Other Countries \$'000	Total \$'000
External sales				707,704	1,040,764	111,483	1,859,951
Non-current assets ⁽⁵⁾				3,309,935	2,361,827	1,577,081	7,248,843

Notes:

- "Others" include corporate services, property services and others.
- EBITDA refers to profit before interest, taxation, depreciation charge, amortisation charge, share of results of associates and joint ventures, divestment gains, fair value gains and other gains.
- Additions to non-current assets comprise investments in associates and joint ventures, purchase of fixed assets and additions to investment properties.
- The geographical information on external sales and non-current assets is determined based on the geographical location of the properties.
- Non-current assets comprise fixed assets, investment properties, deferred tax assets, amounts owing by associates and joint ventures, investments and other non-current assets.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2016

32. SEGMENT REPORTING (continued)

2015	Property Trading \$'000	Property Investment \$'000	Fund Management \$'000	Hotels and Resorts \$'000	Others ⁽¹⁾ \$'000	Inter-segment Elimination \$'000	Total \$'000
Sales							
External sales	1,350,068	34,893	106,832	59,314	47,153	-	1,598,260
Inter-segment sales	183	798	(1,548)	4,843	104,643	(108,919)	-
Total	1,350,251	35,691	105,284	64,157	151,796	(108,919)	1,598,260
Results							
EBITDA ⁽²⁾	208,868	32,010	57,620	14,111	(16,738)	-	295,871
Depreciation and amortisation	(8,828)	(245)	(523)	(18,970)	(3,922)	-	(32,488)
Investment income	-	8,849	-	-	1,775	-	10,624
Net interest (expenses)/income	(16,605)	(2,653)	485	(5,413)	(16,195)	-	(40,381)
Share of results of associates and joint ventures	110,596	244,816	7,923	(4)	5,851	-	369,182
Gain from disposal of a subsidiary	-	17,077	-	-	-	-	17,077
Fair value gain on call option	-	5,100	-	-	-	-	5,100
Gain on change in interest in an associate	-	6,742	-	-	-	-	6,742
Pre-tax profit before fair value gain on investment properties	294,031	311,696	65,505	(10,276)	(29,229)	-	631,727
Fair value gain on investment properties	-	97,128	-	-	-	-	97,128
Pre-tax profit after fair value gain on investment properties	294,031	408,824	65,505	(10,276)	(29,229)	-	728,855
Taxation	(101,266)	(46,078)	(11,264)	(584)	(8,962)	-	(168,154)
Profit/(loss) for the year	192,765	362,746	54,241	(10,860)	(38,191)	-	560,701
Non-controlling interests	2,907	(5,086)	-	5,819	(265)	-	3,375
Net profit/(loss)	195,672	357,660	54,241	(5,041)	(38,456)	-	564,076
Other information							
Segment assets	8,108,449	5,235,664	65,905	306,729	3,555,604	(2,397,541)	14,874,810
Segment liabilities	(3,402,100)	(971,281)	(51,790)	(392,621)	(3,821,963)	2,397,541	(6,242,214)
Net assets/(liabilities)	4,706,349	4,264,383	14,115	(85,892)	(266,359)	-	8,632,596
Investments in associates and joint ventures	695,148	2,514,656	4,664	(3,008)	61,304	-	3,272,764
Additions to non- current assets ⁽³⁾	149,085	487,788	87	86,128	684	-	723,772
Geographical information ⁽⁴⁾				Singapore \$'000	China \$'000	Other Countries \$'000	Total \$'000
External sales				422,154	990,830	185,276	1,598,260
Non-current assets ⁽⁵⁾				2,833,913	2,519,861	1,263,610	6,617,384

Notes:

- "Others" include corporate services, property services and others.
- EBITDA refers to profit before interest, taxation, depreciation charge, amortisation charge, share of results of associates and joint ventures, divestment gains, fair value gains and other gains.
- Additions to non-current assets comprise investments in associates and joint ventures, purchase of fixed assets and purchase of and additions to investment properties.
- The geographical information on external sales and non-current assets is determined based on the geographical location of the properties.
- Non-current assets comprise fixed assets, intangible assets, investment properties, deferred tax assets, amounts owing by associates and joint ventures, investments and other non-current assets.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2016

33. CAPITAL AND LEASE COMMITMENTS

	GROUP	
	2016 \$'000	2015 \$'000
(a) Estimated development costs for properties held for sale:		
(i) Contracted for	972,245	1,157,778
(ii) Not contracted for	1,382,905	1,360,667
	<u>2,355,150</u>	<u>2,518,445</u>
Non-controlling interests	(84,838)	(154,717)
	<u>2,270,312</u>	<u>2,363,728</u>
(b) Estimated funding in associates for project developments	<u>247,671</u>	<u>207,345</u>
(c) Estimated funding in joint ventures for project developments	<u>74,184</u>	<u>108,623</u>
(d) Capital expenditure contracted on investment properties	613,403	267,365
Non-controlling interests	(243,502)	(121,148)
	<u>369,901</u>	<u>146,217</u>
(e) Other capital expenditure	<u>56,140</u>	<u>81,438</u>

(f) Operating lease commitments - as lessor:

The Group has entered into leases on its properties. The future minimum rental income receivables under non-cancellable leases are as follows:

	GROUP	
	2016 \$'000	2015 \$'000
Within 1 year	64,924	31,275
Between 1 to 5 years	114,970	29,800
After 5 years	35,450	6,864
	<u>215,344</u>	<u>67,939</u>

Generally, the Group's non-cancellable leases are for terms of 3 to 10 years (2015: 3 to 5 years).

(g) Operating lease commitments - as lessee:

The Group has entered into various commercial leases on certain land parcels and office premises. Minimum lease payments recognised as an expense during the year was \$12,469,000 (2015: \$13,187,000). The future minimum rental expense payable under non-cancellable leases are as follows:

	GROUP	
	2016 \$'000	2015 \$'000
Within 1 year	11,076	11,595
Between 1 to 5 years	32,745	10,034
After 5 years	52,215	53,229
	<u>96,036</u>	<u>74,858</u>

These leases have tenure of substantially between 5 to 50 years (2015: 5 to 50 years).

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2016

34. CONTINGENT LIABILITIES

	GROUP		COMPANY	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Unsecured guarantees given to financial institutions in connection with facilities given to:				
(a) Subsidiaries	-	-	504,353	593,936
(b) Associates and joint ventures	93,795	102,888	93,795	102,888
(c) Certain end-purchaser of overseas residential properties	28,475	-	-	-
	122,270	102,888	598,148	696,824

The financial effects of FRS 39 relating to financial guarantee contracts issued by the Group and the Company are not material to the financial statements and are, therefore not recognised.

No material losses under these guarantees are expected.

35. SIGNIFICANT RELATED PARTY TRANSACTIONS

- (a) In addition to the related party transactions disclosed elsewhere in the financial statements, the Group has the following significant related party transactions with the holding company and related parties:

	GROUP	
	2016	2015
	\$'000	\$'000
Transactions with holding company:		
Management/service fees paid	11,595	8,453
Forex forward contracts	743,550	-
Foreign exchange transactions	104,378	98,418
Consideration for acquisition of 70% interest in Keppel Bay Pte Ltd	405,400	-
Transactions with related companies:		
Interest income	6,299	10,255
Interest expense:		
Charged to profit and loss account	1,316	1,896
Capitalised under development cost	8	1,634
Management fees paid	-	208
Management and support service fees received	737	-
Rental income	-	33
Purchase consideration for units in Keppel REIT	6,123	-
Purchase consideration for units in Keppel DC REIT	13,691	-
Consideration for acquisition of 31% interest in Harbourfront One Pte Ltd	173,633	-
Consideration for the sale of 100% interest in Alpha Investment Partners Limited	255,000	-
Consideration for the sale of 100% interest in Keppel REIT Management Limited	425,000	-
Other products and service fees paid	1,822	1,421

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2016

35. SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

	GROUP	
	2016	2015
	\$'000	\$'000
Transactions with the Group's associates and joint ventures:		
Interest income	6,028	3,414
Rental expense	6,228	6,915
Project development and management fees received	668	1,133
Property management fees received	4,440	921
Marketing commission received	2,786	2,987
Management and support service fees received	2,441	3,499
Asset management fees received	25,865	50,072
Consideration for acquisition of 39% interest in Harbourfront One Pte Ltd	218,415	-
Other products and service fees paid	172	119

(b) Transactions entered into by the Group with the Temasek Group:

	GROUP	
	2016	2015
	\$'000	\$'000
(i) Rental expense	67	51
(ii) Rental income	7	-
(iii) Other service fees paid	421	6
(iv) Consideration for the acquisition of 30% interest in Harbourfront One Pte Ltd from Mapletree Investments Pte Ltd	-	180,926
(v) Consideration for the sale of 39% interest in Harbourfront Two Pte Ltd to Mapletree Investments Pte Ltd (the Group's 30% share)	-	67,715

The related party transactions above are entered into based on terms agreed between the parties.

36. FINANCIAL RISK MANAGEMENT

The Group operates primarily in Singapore, China, Indonesia and Vietnam, and is exposed to a variety of financial risks pertaining to changes in interest rates, fluctuations in currency exchange rates, credit and liquidity risks. The Group's overall risk management strategy seeks to minimise the adverse effects from the unpredictability of financial markets on the Group's profit. The Group uses financial instruments such as currency forwards, interest rate swaps, interest rate caps and foreign currency borrowings to hedge certain financial risk exposures whenever it is appropriate.

Assessment of financial risks is carried out regularly by management and reported to the Board Risk Committee, which will review and guide management on the Group's risk profile, risk identification, management of significant risks, risk mitigation strategies, and risk policies.

The risk management policies are summarised as follows:

(a) Interest Rate Risk

The Group's exposure to changes in interest rates is in respect of debt obligations and deposits with related companies and financial institutions.

The interest rate management policy is aimed at optimising net interest cost and reducing volatility. The Group borrows a mix of fixed and variable rate debts with varying tenors, and also uses interest rate swaps and caps to hedge against changes in interest rates on the underlying debt obligations whenever it is appropriate.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2016

36. FINANCIAL RISK MANAGEMENT (continued)

(a) Interest Rate Risk (continued)

The Group enters into interest rate swap agreements to hedge the interest rate risk exposure arising from certain variable rate term loans denominated in Singapore dollar, United States dollar and Renminbi. The Group receives variable rates based on SOR, LIBOR or SHIBOR and pays fixed rates ranging from 1.27% to 4.90% (2015: 0.85% to 4.90%) on the notional amounts. The cash flows occur on a quarterly basis until the maturities of the borrowings which are due within five years. The Group classifies these interest rate swaps as cash flow hedges.

As at 31 December 2016, the Group has interest rate swap agreements with notional amount totalling \$769,125,931 (2015: \$923,288,965). The net negative fair value of interest rate swaps for the Group is \$327,000 (2015: net positive fair value of \$4,544,000) comprising assets of \$437,000 (2015: \$6,710,000) and liabilities of \$764,000 (2015: \$2,166,000). These amounts are recognised as derivative financial instruments in Notes 20, 26, 29 and 31.

As at 31 December 2016, the Company has interest rate swap agreements with notional amount totalling \$729,900,000 (2015: \$723,000,000). The net positive fair value of interest rate swaps for the Company is \$329,000 (2015: \$4,947,000) comprising assets of \$437,000 (2015: \$5,535,000) and liabilities of \$108,000 (2015: \$588,000). These amounts are recognised as derivative financial instruments in Notes 20 and 31.

Sensitivity analysis for interest rate risk:

The Group's borrowings at variable rates on which effective hedges have not been entered into, are denominated mainly in Singapore dollar and United States dollar. If interest rates increase/decrease by 0.5% (2015: 0.5%) with all other variables, including tax rate, being held constant, the Group's profit after taxation will be lower/higher by \$5,394,000 (2015: \$4,055,000).

(b) Foreign Currency Risk

Foreign currency risk arises when transactions are denominated in currencies other than the respective functional currencies of the various entities in the Group, and such changes will impact the Group's profit.

In addition, the Group is exposed to foreign currency movements on its net investment in foreign subsidiaries, associates and joint ventures, which generate revenue and incur costs denominated in foreign currencies; and such changes impact the results and reserves of the Group. This currency exposure is, as practicable as possible, managed through borrowings in the same currencies in which the assets are denominated.

As at 31 December 2015, the Group had borrowings of US\$696 million which had been designated as hedges of the net investments in foreign operations. Exchange differences arising on translation of these borrowings are recognised in other comprehensive income, to the extent that the hedges were effective, to offset the exchange differences on translation of the net investments in the foreign operations. The ineffectiveness recognised in the profit and loss account in 2015 was \$9,367,000. The Group ceased hedge accounting for net investments in foreign operations with effect from 1 January 2016.

During the year, the Group and the Company entered into foreign exchange forward contracts to hedge the currency exposure of its certain USD denominated loans. As at 31 December 2016, the Group and the Company has outstanding notional amounts of US\$575 million and US\$300 million respectively. For the Group, the net positive fair value of these contracts is \$44,724,000, comprising assets of \$44,820,000 and liabilities of \$96,000. For the Company, the fair value of the contract which is recognised as asset is \$25,061,000. These amounts are recognised as derivative financial instruments in Notes 20 and 29.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2016

36. FINANCIAL RISK MANAGEMENT (continued)

(b) Foreign Currency Risk (continued)

The carrying amounts of significant financial assets and financial liabilities denominated in currencies other than the functional currencies of the respective entities are as follows:

	2016				2015			
	United States Dollar (USD) \$'000	Renminbi (RMB) \$'000	Indonesian Rupiah (IDR) \$'000	Vietnamese Dong (VND) \$'000	United States Dollar (USD) \$'000	Renminbi (RMB) \$'000	Indonesian Rupiah (IDR) \$'000	Vietnamese Dong (VND) \$'000
GROUP								
Financial Assets								
Debtors	34,636	810	950	6	27,261	191	1,210	331
Cash and cash equivalents	291,610	93,609	2,692	3	40,904	13,163	474	6,101
Long-term investments	188,495	-	-	-	177,377	-	-	-
Financial Liabilities								
Creditors	(53,818)	-	(2,934)	(3)	(36,579)	(208)	(2,263)	(2,335)
Borrowings	(858,869)	-	-	-	(985,617)	-	-	-
COMPANY								
Financial Assets								
Cash and cash equivalents	4,209	-	-	-	4,095	-	-	-
Long-term investments	14,340	-	-	-	13,370	-	-	-
Financial Liabilities								
Creditors	(661)	-	-	-	(770)	-	-	-
Borrowings	(429,528)	-	-	-	(563,364)	-	-	-

Sensitivity analysis for currency risk:

If the relevant foreign currencies change against the respective functional currencies of the Group entities by 5% (2015: 5%) with all other variables, including tax rate, being held constant, the effect arising from the net financial assets/liabilities position will be as follows:

	Profit after Taxation Increase/(Decrease)		Equity Increase/(Decrease)	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
GROUP				
USD against SGD				
- strengthened	10,072	(1,946)	9,425	(36,887)
- weakened	(10,072)	1,946	(9,425)	36,887
RMB against SGD				
- strengthened	4,721	657	-	-
- weakened	(4,721)	(657)	-	-
IDR against SGD				
- strengthened	35	(29)	-	-
- weakened	(35)	29	-	-
VND against USD				
- strengthened	-*	205	-	-
- weakened	-*	(205)	-	-
(* Amount less than \$1,000)				

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2016

36. FINANCIAL RISK MANAGEMENT (continued)

(b) Foreign Currency Risk (continued)

	Profit after Taxation		Equity	
	Increase/(Decrease)		Increase/(Decrease)	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
COMPANY				
USD against SGD				
- strengthened	210	166	717	(27,500)
- weakened	(210)	(166)	(717)	27,500

(c) Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

Trade debtors comprise mainly the Group's customers who bought residential units and tenants of commercial properties.

Bank deposits are mainly deposits with banks that meet appropriate credit criteria.

The following situations may give rise to credit risk:

- (i) That the tenants of investment properties and purchasers of development properties may default on their obligations to pay the amounts owing to the Group.
 - (a) For investment properties, the Group manages credit risks arising from tenants defaulting on their rental by requiring the tenants to furnish cash deposits, and/or banker's guarantees. The Group also has a policy of regular review of debt collection and rental contracts are entered into with customers with an appropriate credit history.
 - (b) For trading properties, the Group generally has the following recourse:
 - Forfeiture of instalments paid; and
 - Re-sale of the re-possessed properties and claim against the purchasers for any shortfall from the re-sale.
- (ii) That a counterparty will default on its contractual obligations under financial instrument contracts resulting in financial loss to the Group. It is generally limited to the amounts, if any, by which the counterparty's obligations exceed the obligations of the Group. It is also the Group's policy to enter into financial instrument contracts with a diversity of prime financial institutions and creditworthy parties. Credit risks are monitored on an ongoing basis.

As at 31 December 2016 and 2015, there was no significant concentration of credit risks other than the deposits placed with related companies for the Group and the Company as disclosed in Note 28.

The maximum exposure to credit risk is the carrying amount of financial assets which are mainly trade and other debtors, amounts owing by holding company and related parties, cash and cash equivalents, amounts owing by associates and joint ventures, other non-current assets and financial guarantees.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2016

36. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity Risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group manages the liquidity risk by maintaining sufficient cash, internally generated cash flows, and the availability of funding resources through adequate committed credit facilities. The Group also maintains a mix of short-term money market borrowings as well as the ability to tap the capital market through the MTN Programmes to fund working capital requirements and capital expenditure/investments.

The following table summarises the maturity profile of the Group's and the Company's financial liabilities and derivative financial instruments at the balance sheet date based on contractual undiscounted cash flows obligations, including interest payables and excluding the impact of netting agreements.

	2016				2015			
	Between				Between			
	Within	1 to 5	After 5		Within	1 to 5	After 5	
	1 Year	Years	Years	Total	1 Year	Years	Years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
GROUP								
<u>Non Derivative Financial Liabilities</u>								
Creditors (excluding non-financial liabilities)	1,553,050	-	-	1,553,050	1,493,623	-	-	1,493,623
Amounts owing to holding company and related parties	94,141	-	-	94,141	18,030	-	-	18,030
Other non- current liabilities	-	90,397	-	90,397	-	87,822	-	87,822
Borrowings	1,248,598	2,696,283	347,819	4,292,700	187,025	3,533,313	360,524	4,080,862
	2,895,789	2,786,680	347,819	6,030,288	1,698,678	3,621,135	360,524	5,680,337
<u>Derivative financial assets/(liabilities)</u>								
Net-settled interest rate swaps								
- Net cash (outflows)/ inflows	(1,763)	1,303	-	(460)	(2,044)	5,974	-	3,930
Gross-settled forward currency contracts								
- Outflow	(36,391)	(743,550)	-	(779,941)	-	-	-	-
- Inflow	36,590	788,075	-	824,665	-	-	-	-

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2016

36. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity Risk (continued)

	2016				2015			
	Within 1 Year \$'000	Between 1 to 5 Years \$'000	After 5 Years \$'000	Total \$'000	Within 1 Year \$'000	Between 1 to 5 Years \$'000	After 5 Years \$'000	Total \$'000
COMPANY								
<u>Non Derivative Financial Liabilities</u>								
Creditors	23,064	-	-	23,064	18,612	-	-	18,612
Amounts owing to holding company and related parties	788,113	-	-	788,113	986,875	-	-	986,875
Other non- current liabilities	-	-	-	-	-	1,840	-	1,840
Borrowings	145,366	1,528,466	347,819	2,021,651	80,256	1,681,627	360,524	2,122,407
	956,543	1,528,466	347,819	2,832,828	1,085,743	1,683,467	360,524	3,129,734
<u>Derivative financial assets/(liabilities)</u>								
Net-settled interest rate swaps								
- Net cash (outflows)/ inflows	(1,370)	1,303	-	(67)	(1,199)	6,507	-	5,308
Gross-settled forward currency contracts								
- Outflow	-	(404,664)	-	(404,664)	-	-	-	-
- Inflow	-	429,725	-	429,725	-	-	-	-

The following table shows the contractual expiry by maturity of the Group's and Company's contingent liabilities. The maximum amounts that the Group and the Company could be called upon under the financial guarantee contracts, if the full guaranteed amount is claimed by the counterparty, are as disclosed in Note 34. They are allocated to the earliest period in which the guarantee could be called upon.

	2016			2015		
	Within 1 Year \$'000	Between 1 to 5 Years \$'000	Total \$'000	Within 1 Year \$'000	Between 1 to 5 Years \$'000	Total \$'000
GROUP						
Financial guarantees	14,998	107,272	122,270	-	102,888	102,888
COMPANY						
Financial guarantees	49,261	548,887	598,148	44,850	651,974	696,824

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2016

36. FINANCIAL RISK MANAGEMENT (continued)

(e) Categories of Financial Assets and Financial Liabilities

The following table sets out the financial instruments as at the balance sheet date:

	Group		Company	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Financial Assets				
Available-for-sale financial assets	256,335	221,350	16,056	14,713
Derivative financial instruments	165,857	121,310	25,498	5,535
Loans and receivables (including cash and cash equivalents)	3,168,275	2,476,302	7,421,023	6,797,714
Financial Liabilities				
Derivative financial instruments	860	2,166	108	588
Liabilities carried at amortised carrying value	5,847,530	5,326,964	2,679,005	2,928,294

(f) Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholder, issue new shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on the net debt-equity ratio, which is calculated as net debt divided by total capital. Net debt is calculated as borrowings less cash and cash equivalents, and total capital is calculated as equity including non-controlling interests in subsidiaries.

	Group		Company	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Net debt	2,458,011	2,038,632	1,862,423	1,914,954
Total capital	9,315,624	8,632,596	6,416,291	5,258,005
Net debt-equity ratio (times)	0.26	0.24	0.29	0.36

Two of the Group's subsidiaries are required to maintain certain minimum base capital and financial resources, or shareholders' funds as they are holders of Capital Market Services licenses registered with the Monetary Authority of Singapore to conduct the regulated activity of the Real Estate Investment Trust management and private equity fund management. These subsidiaries had complied with the applicable capital requirements throughout 2015. On 1 July 2016, the Group divested its interests in these subsidiaries to its related company, Keppel Capital Holdings Pte. Ltd..

There were no changes in the Group's approach to capital management during the year.

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2015 and 2016.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

37. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

(a) Fair Value Hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. There are three fair value hierarchy levels, as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly; and

Level 3 – Unobservable inputs for the asset or liability.

Transfers between levels of the fair value hierarchy are deemed to have occurred on the date of the event or change in circumstances that caused the transfers.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2016

37. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (continued)

(b) Assets and Liabilities Measured at Fair Value

The following table shows an analysis of assets and liabilities carried at fair value by fair value hierarchy level:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
GROUP				
2016				
<u>Financial Assets</u>				
Available-for-sale financial assets				
- Quoted equity investments	66,118	-	-	66,118
- Unquoted equity investments	-	-	190,217	190,217
Derivative financial instruments				
- Call option	-	-	120,600	120,600
- Forward currency contracts	-	44,820	-	44,820
- Interest rate swaps	-	437	-	437
	66,118	45,257	310,817	422,192
<u>Financial Liabilities</u>				
Derivative financial instruments				
- Forward currency contracts	-	96	-	96
- Interest rate swaps	-	764	-	764
	-	860	-	860
<u>Non-financial Assets</u>				
Investment properties				
- Commercial and residential, completed	-	-	1,185,968	1,185,968
- Commercial, under construction	-	-	1,910,922	1,910,922
	-	-	3,096,890	3,096,890
2015				
<u>Financial Assets</u>				
Available-for-sale financial assets				
- Quoted equity investments	43,966	-	-	43,966
- Unquoted equity investments	-	-	177,384	177,384
Derivative financial instruments				
- Call option	-	-	114,600	114,600
- Interest rate swaps	-	6,710	-	6,710
	43,966	6,710	291,984	342,660
<u>Financial Liabilities</u>				
Derivative financial instruments				
- Interest rate swaps	-	2,166	-	2,166
	-	2,166	-	2,166
<u>Non-financial Assets</u>				
Investment properties				
- Commercial and residential, completed	-	-	456,396	456,396
- Commercial, under construction	-	-	1,869,790	1,869,790
	-	-	2,326,186	2,326,186

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2016

37. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (continued)

(b) Assets and Liabilities Measured at Fair Value (continued)

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
COMPANY				
2016				
<u>Financial Assets</u>				
Available-for-sale financial assets				
- Unquoted equity investments	-	-	16,056	16,056
Derivative financial instruments				
- Interest rate swaps	-	437	-	437
- Forward currency contracts	-	25,061	-	25,061
	-	25,498	16,056	41,554
<u>Financial Liabilities</u>				
Derivative financial instruments				
- Interest rate swaps	-	108	-	108
	-	108	-	108
2015				
<u>Financial Assets</u>				
Available-for-sale financial assets				
- Unquoted equity investments	-	-	14,713	14,713
Derivative financial instruments				
- Interest rate swaps	-	5,535	-	5,535
	-	5,535	14,713	20,248
<u>Financial Liabilities</u>				
Derivative financial instruments				
- Interest rate swaps	-	588	-	588
	-	588	-	588

There have been no transfers between Level 1, Level 2 and Level 3 during 2016 and 2015.

(c) Level 1 Fair Value Measurement

The fair value of quoted equity investments are determined directly by reference to their published market bid price at the balance sheet date.

(d) Level 2 Fair Value Measurement

Forward currency contracts and interest rate swap contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves and forward rate curves.

The fair value of residential investment property is based on comparable market transactions that consider sales of similar properties that have been transacted in the open market. The most significant input into this valuation approach is selling price per square foot.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

37. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (continued)

(e) Level 3 Fair Value Measurement

(i) Information about Significant Unobservable Inputs Used in Level 3 Fair Value Measurements

The following table presents the information about fair value measurements using significant unobservable inputs:

Description	Fair Value \$'000	Valuation Techniques	Unobservable Inputs	Range
2016				
Available-for-sale financial assets				
- Unquoted equity investments	190,217	Net asset value ⁽¹⁾	Not applicable	Not applicable
Derivative financial instruments				
- Call option	120,600	Direct comparison method and investment method	Transacted price of comparable properties (psf) Capitalisation rate	\$3,000 to \$3,400 3.5% to 3.75%
Investment properties				
- Commercial and residential, completed	1,185,968	Investment method, discounted cash flow method, direct comparison method and cost replacement method	Discount rate Terminal yield Capitalisation rate Net initial yield Price of comparable land plots (psm) Replacement cost (\$'million) Transacted price of comparable properties (psf)	4.3% to 13.7% 7.7% 7.7% 5.3% \$9,513 to \$13,213 \$129 \$1,296 to \$1,532
- Commercial, under construction	1,910,922	Direct comparison method, and/or residual value method	Price of comparable land plots (psm) Gross development value (\$'million)	\$9,513 to \$13,213 \$3,788
2015				
Available-for-sale financial assets				
- Unquoted equity investments	177,384	Net asset value ⁽¹⁾	Not applicable	Not applicable
Derivative financial instruments				
- Call option	114,600	Direct comparison method and investment method	Transacted price of comparable properties (psf) Capitalisation rate	\$3,000 to \$3,400 3.5% to 3.75%
Investment properties				
- Commercial and residential, completed	456,396	Direct comparison method, investment method and/or discounted cash flow method	Discount rate Terminal yield Capitalisation rate Transacted price of comparable properties (psf)	9% to 13% 10.5% to 11% 7% to 10.5% \$1,346 to \$1,680
- Commercial, under construction	1,869,790	Direct comparison method, residual value method and/or cost replacement method	Price of comparable land plots (psm) Gross development value (\$'million) Construction costs incurred (\$'million)	\$8,152 to \$12,738 \$3,182 \$91

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

37. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (continued)

(e) Level 3 Fair Value Measurement (continued)

(i) Information about Significant Unobservable Inputs Used in Level 3 Fair Value Measurements (continued)

Note:

1. The fair value of unquoted equity investments is determined by reference to the underlying assets value of the investee companies, which comprise mainly investment properties stated at fair value.

The financial instruments and investment properties categorised under Level 3 of the fair value hierarchy are generally sensitive to the various unobservable inputs tabled. A significant movement of each input would result in significant change to the fair value of the respective asset.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2016

37. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (continued)

(e) Level 3 Fair Value Measurement (continued)

(ii) Movements in Level 3 Assets Measured at Fair Value

The following table presents the reconciliation for all assets measured at fair value based on significant unobservable inputs:

	Available-for-sale Financial Assets	Derivative Financial Instruments	Investment Properties		
	Unquoted Equity Investments	Call Option	Commercial and Residential, Completed	Commercial, Under Construction	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
GROUP					
At 1 January 2016	177,384	114,600	456,396	1,869,790	2,618,170
Net fair value gain recognised in other comprehensive income	16,671	-	-	-	16,671
Fair value gain recognised in profit and loss account	-	6,000	7,721	61,191	74,912
Company acquired under common control	-	-	612,000	-	612,000
Additions	44,129	-	1,032	140,830	185,991
Companies disposed	-	-	(74,062)	-	(74,062)
Redemption of shares	(47,966)	-	-	-	(47,966)
Reclassification	-	-	165,154	(165,154)	-
Reclassified from fixed assets	-	-	50,040	-	50,040
Reclassified from properties held for sale	-	-	-	89,131	89,131
Exchange differences on consolidation	(1)	-	(32,313)	(84,866)	(117,180)
At 31 December 2016	190,217	120,600	1,185,968	1,910,922	3,407,707
At 1 January 2015	149,031	109,500	255,107	952,017	1,465,655
Net fair value gain recognised in other comprehensive income	13,037	-	-	-	13,037
Fair value gain recognised in profit and loss account	-	5,100	17,557	87,424	110,081
Purchase of an investment property	-	-	200,935	-	200,935
Additions	31,819	-	1,653	74,580	108,052
Company disposed	-	-	(21,592)	-	(21,592)
Redemption of shares	(16,503)	-	-	-	(16,503)
Reclassified from fixed assets	-	-	146	-	146
Reclassified from properties held for sale	-	-	-	726,567	726,567
Exchange differences on consolidation	-	-	2,590	29,202	31,792
At 31 December 2015	177,384	114,600	456,396	1,869,790	2,618,170

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2016

37. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (continued)

(e) Level 3 Fair Value Measurement (continued)

(iii) Valuation Policies and Procedures

The assessment of the fair value of unquoted equity investments is performed by the Group's finance department on a quarterly basis. The assessment of the fair value of the call option and investment properties is performed by the Group's operation teams on an annual basis.

The Group revalues its investment property portfolio on an annual basis. The fair value of investment properties is determined by external, independent professional valuers which have appropriate recognised professional qualifications and experience in the location and category of property being valued. Management reviews the appropriateness of the valuation methodologies and assumptions adopted, and the reliability of the inputs used in the valuations.

(f) Assets and Liabilities not Carried at Fair Value but for Which Fair Value is Disclosed

The carrying amounts of the following financial assets and liabilities of the Group and Company approximate their fair values due to their short-term nature: Cash and cash equivalents, trade and other debtors, trade and other creditors, amounts owing by/to holding company and related parties and short-term borrowings.

The fair values of long-term borrowings, other non-current liabilities and investment in a listed associate are as stated below. The long-term borrowings and other non-current liabilities are estimated using discounted cash flow analysis based on current rates for similar types of borrowing arrangements. The fair value of the investment in a listed associate is determined by reference to the published market bid price at the balance sheet date.

	2016			2015		
	Carrying Amount \$'000	Fair Value Level 1 \$'000	Level 3 \$'000	Carrying Amount \$'000	Fair Value Level 1 \$'000	Level 3 \$'000
GROUP						
Investment in listed associates	1,954,803	1,515,734	-	1,941,115	1,377,195	-
Long-term borrowings	2,886,134	-	2,918,275	3,646,982	-	3,664,719
Other non-current liabilities	86,856	-	87,360	86,466	-	86,073
COMPANY						
Investment in listed subsidiaries	35,637	19,105	-	49,862	25,052	-
Long-term borrowings	1,767,864	-	1,785,454	1,890,982	-	1,892,886

Amounts owing by associates and joint ventures are charged at floating interest rates and their carrying amounts approximate their fair values.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2016

38. COMPARATIVES

The following comparative figures have been restated and reclassified to conform with current year's presentation:

- (a) The fair value gain on investment properties from associates and joint ventures is presented within the share of results of associates and joint ventures as below:

	Group As previously reported \$'000	As reclassified \$'000
Consolidated Profit and Loss Account		
Share of results of associates and joint ventures	210,695	369,182
Fair value gain on investment properties	255,615	97,128

- (b) Completed residential investment property is presented within Level 3 hierarchy as below:

	Group As previously reported \$'000	As reclassified \$'000
Disclosure on Fair Value of Financial Assets and Liabilities (Note 37)		
Investment properties		
- Residential, completed (Level 2)	119,000	-
- Commercial and residential, completed (Level 3)	337,396	456,396

39. EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 11 January 2017, the Group entered into a shares sales agreement to divest its 80% effective stake in PT Sentral Tunjungan Perkasa ("PT STP") to PT Indadi Land. The total consideration amounts to approximately IDR 529 billion (approximately \$57 million) and PT STP will cease to be a subsidiary of the Group after the proposed divestment.

The consideration was arrived at on a willing-buyer and willing-seller basis. The transactions are not expected to have any material impact on the financial position of the Group for the financial year ending 31 December 2017.

40. FUTURE CHANGES IN ACCOUNTING POLICIES

The Group has not adopted the following standards that have been issued but not yet effective:

Description	Effective for Annual Periods Beginning on or after
Amendments to FRS 7 <i>Disclosure Initiative</i>	1 January 2017
Amendments to FRS 12 <i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017
Improvements to FRSs (December 2016)	
- Amendments to FRS 112 <i>Disclosure of Interests in Other Entities</i>	1 January 2017
- Amendments to FRS 28 <i>Investments in Associates and Joint Ventures</i>	1 January 2018
FRS 115 <i>Revenue from Contracts with Customers</i>	1 January 2018
Amendments to FRS 115: <i>Clarifications to FRS 115 Revenue from Contracts with Customers</i>	1 January 2018
FRS 109 <i>Financial Instruments</i>	1 January 2018
Amendments to FRS 102: <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
Amendments to FRS 40: <i>Transfer of Investment Property</i>	
INT FRS 122: <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
FRS 116 <i>Leases</i>	1 January 2019

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2016

40. FUTURE CHANGES IN ACCOUNTING POLICIES (continued)

The Group expects the adoption of the standards above will have no material impact on the financial statements in the period of initial application except for FRS 115 and FRS 109.

FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied.

Key issues for the Group include identifying performance obligations, accounting for contract modifications, applying the constraint to variable consideration, evaluating significant financing components, measuring progress toward satisfaction of a performance obligation, recognising contract cost assets and addressing disclosure requirements.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Group is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

FRS 109 Financial Instruments

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model.

FRS 109 is effective for annual periods beginning on or after 1 January 2018 with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Group is currently assessing the impact of FRS 109 and plans to adopt the standard on the required effective date.

FRS 116 Leases

FRS 116 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

The standard will affect primarily the accounting for the Group's operating leases. The future minimum rental expense payable under significant non-cancellable leases is disclosed in Note 33. However, the Group has yet to determine to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under FRS 116.

41. SIGNIFICANT GROUP COMPANIES

Information relating to the significant subsidiaries consolidated in these financial statements and the significant associates and joint ventures whose results are included in the financial statements is given on pages 84 to 86.

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

SIGNIFICANT SUBSIDIARIES, ASSOCIATES, AND JOINT VENTURES For the financial year ended 31 December 2016

	Effective Equity Interest		Country of Incorporation/ Place of Business	Principal Activities
	2016 %	2015 %		
Subsidiaries				
Alpha Investment Partners Limited	-	100	Singapore	Fund management
Bayfront Development Pte Ltd*	100	100	Singapore	Investment holding
Crystal Rise Investment Pte Ltd*	100	100	Singapore	Investment holding
DC REIT Holdings Pte Ltd*	100	100	Singapore	Investment holding
Flemmington Investments Pte Ltd*	100	100	Singapore	Investment holding
Harbourfront One Pte Ltd*	100	-	Singapore	Property investment
Harvestland Development Pte Ltd*	100	100	Singapore	Property development
Hillvale Resort Pte Ltd*	100	100	Singapore	Investment holding
Hillwest Pte Ltd*	100	100	Singapore	Investment holding
Keppel Bay Pte Ltd	100	-	Singapore	Property development
Keppel REIT Investment Pte Ltd*	100	100	Singapore	Investment holding
Keppel REIT Management Limited	-	100	Singapore	Property fund management
Keppel Land China Limited	100	100	Singapore	Investment holding
Keppel Land Financial Services Pte Ltd	100	100	Singapore	Financial services
Keppel Land International Limited			Singapore	Property services
Ordinary shares	100	100		
Preference shares	100	100		
Keppel Tianjin Eco-City Investments Pte Ltd*	55	55	Singapore	Investment holding
Krystal Investments Pte Ltd*	51	-	Singapore	Investment holding
Mansfield Developments Pte Ltd	100	100	Singapore	Property development
Merryfield Investment Pte Ltd*	100	100	Singapore	Investment holding
Parksville Development Pte Ltd*	100	100	Singapore	Property investment
Pasir Panjang Realty Pte Ltd*	100	100	Singapore	Investment holding
Portsville Pte Ltd	100	100	Singapore	Investment holding
Sherwood Development Pte Ltd	70	70	Singapore	Property development
Straits Property Investments Pte Ltd	100	100	Singapore	Investment holding
Tinterland Pte Ltd*	100	100	Singapore	Investment holding
Aintree Assets Limited (D)	100	100	British Virgin Islands/Asia	Investment holding
Double Peak Holdings Limited (D)			British Virgin Islands/Singapore	Investment holding
Ordinary shares	100	100		
Preference shares	100	100		
Jencycity Limited* (D)	90	90	British Virgin Islands/Vietnam	Investment holding
Saigon Centre Investment Limited* (D)	100	100	British Virgin Islands/Hong Kong	Investment holding
Success View Enterprises Limited* (D)	55	55	British Virgin Islands/China	Investment holding
Beijing Aether Property Development Ltd* (C)	51	51	China	Property investment
Beijing Kingsley Property Development Co Ltd* (A)	100	100	China	Property development
Chengdu Hillstreet Development Co Ltd* (A)	100	100	China	Property development
Chengdu Hilltop Development Co Ltd* (A)	100	100	China	Property development
Chengdu Shengshi Jingwei Real Estate Co Ltd* (A)	100	100	China	Property development
Jiangyin Evergro Properties Co Ltd* (A)	99	99	China	Property development
Keppel Bay Property Development (Shenyang) Co Ltd* (A)	100	100	China	Property development
Keppel Heights (Wuxi) Property Development Co Ltd* (A)	100	100	China	Property development
Keppel Hong Da (Tianjin Eco-City) Property Development Co Ltd* (C)	55	55	China	Property development
Keppel Hong Yuan (Tianjin Eco-City) Property Development Co Ltd* (A)	55	55	China	Property development
Keppel Lakefront (Nantong) Property Development Co Ltd* (A)	100	100	China	Property development
Keppel Lakefront (Wuxi) Property Development Co Ltd* (A)	100	100	China	Property development
Keppel Township Development (Shenyang) Co Ltd* (A)	100	100	China	Property development
Shanghai Floraville Land Co Ltd* (A)	99	99	China	Property development
Shanghai Hongda Property Development Co Ltd* (A)	99	99	China	Property development

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

SIGNIFICANT SUBSIDIARIES, ASSOCIATES, AND JOINT VENTURES For the financial year ended 31 December 2016

	Effective Equity Interest		Country of Incorporation/ Place of Business	Principal Activities
	2016 %	2015 %		
Subsidiaries (continued)				
Shanghai Ji Xiang Land Co Ltd* (C)	100	100	China	Property development
Shanghai Jinju Real Estate Development Co Ltd* (A)	99	99	China	Property development
Shanghai Merryfield Land Co Ltd* (A)	99	99	China	Property development
Shanghai Pasir Panjang Land Co Ltd* (A)	99	99	China	Property development
Sunsea Yacht Club (Zhongshan) Co Ltd* (A)	80	80	China	Development of marina lifestyle cum residential properties
Tianjin Fulong Property Development Co Ltd* (A)	100	100	China	Property development
Tianjin Fushi Property Development Co Ltd* (C)	100	100	China	Property development
Keppel Land (Saigon Centre) Ltd* (A)			Hong Kong	Investment holding
Ordinary shares	100	100		
Preference shares (Class A and Class B)	67	67		
Main Full Limited* (A)	100	100	Hong Kong	Investment holding
PT Harapan Global Niaga* (A)	100	100	Indonesia	Property development
PT Kepland Investama* (A)	100	100	Indonesia	Property investment/development
PT Ria Bintan* (A)	46	46	Indonesia	Golf course ownership and operations
PT Sentral Tunjungan Perkasa* (A)	80	80	Indonesia	Property development
PT Straits-CM Village* (A)	39	39	Indonesia	Hotel ownership and operations
First King Properties Limited* (D)	100	100	Jersey	Investment holding
Straits Greenfield Limited* (C)	100	100	Myanmar	Hotel ownership and operations
Keppel Philippines Properties, Inc. (A)			Philippines	Investment holding
Ordinary shares	51	51		
Preference shares	100	100		
Estella Joint Venture Company Limited* (A)	98	98	Vietnam	Property development
Keppel Land Watco IV Company Limited* (A)	68	68	Vietnam	Property development
Keppel Land Watco V Company Limited* (A)	68	68	Vietnam	Property development
Riviera Point Limited Liability Company* (A)	75	75	Vietnam	Property development
Saigon Sports City Limited* (A)	90	90	Vietnam	Property development
Associates and Joint Ventures				
CityOne Township Development Pte Ltd* (C)	50	50	Singapore	Investment holding
EM Services Pte Ltd	25	25	Singapore	Property management
Equity Rainbow II Pte Ltd* (C)	43	43	Singapore	Property investment
Harbourfront One Pte Ltd	-	42	Singapore	Property investment
Katong AMC Pte Ltd* (B)	23	-	Singapore	Property management
Keppel Bay Pte Ltd	-	30	Singapore	Property development
Keppel REIT*	46	46	Singapore	Real estate investment trust
Keppel Data Centres Holding Pte Ltd*	30	30	Singapore	Owner and operator of data centres and disaster recovery centres
Keppel Group Eco-City Investments Pte Ltd*	35	35	Singapore	Investment holding
Keppel Point Pte Ltd	30	30	Singapore	Property development/investment
PRE 1 Investments Pte Ltd* (B)	22	-	Singapore	Investment holding
Raffles Quay Asset Management Pte Ltd* (C)	33	33	Singapore	Property management
SAFE Enterprises Pte Ltd (B)	25	25	Singapore	Investment holding
Suzhou Property Development Pte Ltd* (B)	25	25	Singapore	Property development
Alfa Paulista Propriedades Ltda* (D)	38	38	Brazil	Investment holding
Bellenden Investments Limited* (D)	67	67	British Virgin Islands/Vietnam	Investment holding
Davinelle Limited* (D)	67	67	British Virgin Islands/Vietnam	Investment holding
Substantial Enterprises Limited* (D)	35	35	British Virgin Islands/China	Investment holding
Chengdu Taixin Real Estate Development Co Ltd* (C)	35	35	China	Property investment
Cityone Development (Wuxi) Co Ltd* (C)	50	50	China	Property development
PT Pulomas Gemala Misori* (C)	25	25	Indonesia	Property development
PT Purimas Straits Resorts* (C)	25	25	Indonesia	Development of holiday resort
Renown Property Holdings (M) Sdn Bhd (A)	40	40	Malaysia	Property investment
City Square Office Co Ltd* (C)	40	40	Myanmar	Property development

KEPPEL LAND LIMITED AND ITS SUBSIDIARIES

SIGNIFICANT SUBSIDIARIES, ASSOCIATES, AND JOINT VENTURES For the financial year ended 31 December 2016

	Effective Equity Interest		Country of Incorporation/ Place of Business	Principal Activities
	2016 %	2015 %		
Associates and Joint Ventures (continued)				
CSO Asset Management Co Ltd* (C)	40	40	Myanmar	Property management
Tropical Garden NV (D)	25	25	Netherlands Antilles	Investment holding
SM Keppel Land, Inc.* (A)	20	20	Philippines	Property development
Dong Nai Waterfront City LLC* (A)	50	50	Vietnam	Property development
Empire City Limited Liability Company* (B)	40	-	Vietnam	Property development
Keppel Land Toshin Retail Management Limited Liability Company* (A)	50	50	Vietnam	Property management services
Keppel Land Watco I Company Limited* (A)	68	68	Vietnam	Property investment/development
Keppel Land Watco II Company Limited* (A)	68	68	Vietnam	Property investment/development
Keppel Land Watco III Company Limited* (A)	68	68	Vietnam	Property investment/development
Nam Long Investment Corporation* (C)	5	5	Vietnam	Trading of development properties
Quoc Loc Phat Joint Stock Company* (C)	45	-	Vietnam	Property development
South Rach Chiec LLC* (A)	42	42	Vietnam	Property development
MIP 59 th and Third Development LLC* (D)	82	82	United States	Investment holding

Notes:

- The holding in the equity shown for each subsidiary, associate and joint venture is the proportion attributable to Keppel Land Limited.
- Associates are those in which the Group has significant influence, but not control, in the operating and financial policy decisions.
- Joint ventures are those in which the Group has joint control in the strategic financial and operating decisions.
- Companies indicated with an asterisk (*) are indirectly held by Keppel Land Limited.
- All the active companies operate in their respective countries of incorporation, unless otherwise specified.
- All the companies are audited by PricewaterhouseCoopers LLP, Singapore except for the following:
 - Audited by member firms of PricewaterhouseCoopers International Limited in the respective countries
 - Audited by member firms of KPMG International Cooperative in the respective countries
 - Audited by other firms of auditors
 - Not required to be audited by law in the country of incorporation
- Certain companies such as Bellenden Investments Limited, Davinelle Limited, Keppel Land Watco I Company Limited, Keppel Land Watco II Company Limited, Keppel Land Watco III Company Limited and MIP 59th and Third Development LLC have been accounted for as joint ventures notwithstanding that the Group holds more than 50% equity interest in these companies on the ground that the strategic financial and operating decisions of these companies require unanimous consent by the shareholders.

KEPPEL LAND FINANCIAL SERVICES PTE. LTD.
Co. Reg. No. 200005290D
(Incorporated in the Republic of Singapore)

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

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KEPPEL LAND FINANCIAL SERVICES PTE. LTD.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2016

The Directors present their statement to the member together with the audited financial statements of Keppel Land Financial Services Pte. Ltd. (the "Company") for the financial year ended 31 December 2016.

1. OPINION OF THE DIRECTORS

In the opinion of the Directors,

- (i) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2016 and the financial performance, changes in equity and cash flows of the Company for the year ended on that date; and
- (ii) 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.

2. DIRECTORS

The Directors of the Company in office at the date of this report are:

Ang Wee Gee
Lim Kei Hin

The Directors holding office at the end of the financial year and their interests in the share capital and share options of the Company and related companies as recorded in the register of Directors' shareholdings are as follows:

	Direct Holdings		Deemed Holdings	
	01.01.2016	31.12.2016	01.01.2016	31.12.2016
Keppel Corporation Limited				
Ordinary Shares				
Ang Wee Gee	2,750	22,750	-	-
Lim Kei Hin	75,000	90,000	35,000	35,000
Unvested restricted shares to be delivered after 2015				
Ang Wee Gee	60,000	40,000	-	-
Lim Kei Hin	45,000	30,000	-	-
Contingent award of restricted shared to be delivered after 2016 ⁽¹⁾				
Ang Wee Gee	-	90,000	-	-
Lim Kei Hin	-	45,000	-	-
Contingent award of performance shares issued in 2015 to be delivered after 2017 ⁽²⁾				
Ang Wee Gee	100,000	100,000	-	-
Contingent award of performance shares issued in 2016 to be delivered after 2018 ⁽²⁾				
Ang Wee Gee	-	150,000	-	-
Contingent award of performance shares – Transformation Incentive Plan issued in 2016 to be delivered after 2020 ⁽²⁾				
Ang Wee Gee	-	400,000	-	-
Lim Kei Hin	-	100,000	-	-

KEPPEL LAND FINANCIAL SERVICES PTE. LTD.

DIRECTORS' STATEMENT (continued)

For the financial year ended 31 December 2016 (continued)

2. DIRECTORS (continued)

	Direct Holdings		Deemed Holdings	
	01.01.2016	31.12.2016	01.01.2016	31.12.2016
Keppel Telecommunications & Transportation Ltd <i>Ordinary Shares</i> Lim Kei Hin	-	-	30,000	30,000

Notes:

1. Depending on the achievement of pre-determined performance targets, the actual number of restricted shares to be released can be zero or the numbers stated.
2. Depending on the achievement of pre-determined performance targets, the actual number of performance shares to be released can range from zero to 150% of the numbers stated.

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of the financial year, nor at any time during the year, did there subsist any arrangement, to which the Company is a party, whereby the Directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

4. AUDITOR

PricewaterhouseCoopers LLP have expressed their willingness to accept re-appointment as auditor.



ANG WEE GEE
Director



LIM KEI HIN
Director

Singapore

24 May 2017

KEPPEL LAND FINANCIAL SERVICES PTE. LTD.

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2016

TO THE MEMBER OF KEPPEL LAND FINANCIAL SERVICES PTE. LTD.

Our Opinion

In our opinion, the accompanying financial statements of Keppel Land Financial Services Pte. Ltd. ("the Company") are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ("the Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 December 2016 and of the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date.

What we have audited

The financial statements of the Company comprise:

- the balance sheet of the Company as at 31 December 2016;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity of the Company for the year then ended;
- the cash flow statement of the Company for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company 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 financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2016. We have determined that there are no key audit matters to communicate in our report.

Other information

Management is responsible for the other information. The other information comprises the Directors' Statement included in pages 1 to 2 but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information 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.

INDEPENDENT AUDITOR'S REPORT (continued)
For the financial year ended 31 December 2016

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 and FRSSs, 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KEPPEL LAND FINANCIAL SERVICES PTE. LTD.

INDEPENDENT AUDITOR'S REPORT (continued)
For the financial year ended 31 December 2016

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Magdelene Chua.



PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 24 May 2017

KEPPEL LAND FINANCIAL SERVICES PTE. LTD.

STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 December 2016

	Note	2016 \$'000	2015 \$'000
Revenue	3	71,681	88,409
Costs	4	(791)	(734)
Waiver of loan to a related company		(13,762)	-
Fair value gain on forward foreign exchange contracts		44,525	-
Foreign exchange gain/(loss), net		8,193	(56,459)
Interest expenses	5	(66,973)	(84,921)
Pre-tax profit/(loss)		42,873	(53,705)
Income tax expense	6	(652)	(306)
Profit/(Loss) for the year		42,221	(54,011)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income/(loss) for the year		42,221	(54,011)

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

KEPPEL LAND FINANCIAL SERVICES PTE. LTD.

BALANCE SHEET
As at 31 December 2016

	Note	2016 \$'000	2015 \$'000
Share capital	7	- *	- *
Retained earnings		15,021	(27,200)
Total equity		<u>15,021</u>	<u>(27,200)</u>
Represented by:			
Non-current assets			
Loans to related companies	8	1,295,653	1,066,751
Derivative financial instruments		44,525	-
		<u>1,340,178</u>	<u>1,066,751</u>
Current assets			
Debtors		6	6
Loans to related companies	8	1,268,147	1,318,179
Amounts owing by related companies	9	35,900	20,858
Cash and cash equivalents	10	354,090	784,332
		<u>1,658,143</u>	<u>2,123,375</u>
Less:			
Current liabilities			
Creditors	11	737	712
Tax provision		701	499
Amounts owing to holding and related companies	12	854,271	970,362
		<u>855,709</u>	<u>971,573</u>
Net current assets		<u>802,434</u>	<u>1,151,802</u>
Less:			
Non-current liability			
Long-term borrowings	13	2,127,591	2,245,753
Net assets		<u>15,021</u>	<u>(27,200)</u>

* Denotes amount less than \$1,000.

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

KEPPEL LAND FINANCIAL SERVICES PTE. LTD.

STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 December 2016

	Share Capital \$'000	Retained Earnings \$'000	Total \$'000
Balance at 1 January 2016	- *	(27,200)	(27,200)
Total comprehensive income for the year			
Profit for the year	-	42,221	42,221
Total comprehensive income for the year	-	42,221	42,221
Balance at 31 December 2016	- *	15,021	15,021
Balance at 1 January 2015	- *	26,811	26,811
Total comprehensive loss for the year			
Loss for the year	-	(54,011)	(54,011)
Total comprehensive loss for the year	-	(54,011)	(54,011)
Balance at 31 December 2015	- *	(27,200)	(27,200)

* Denotes amount less than \$1,000.

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

KEPPEL LAND FINANCIAL SERVICES PTE. LTD.

CASH FLOW STATEMENT

For the financial year ended 31 December 2016

	Note	2016 \$'000	2015 \$'000
Operating Activities:			
Pre-tax profit/(loss)		42,873	(53,705)
Adjustments for:			
Interest income		(71,681)	(88,409)
Interest expense		66,973	84,921
Fair value gain on forward foreign exchange contracts		(44,525)	-
Unrealised exchange loss		12,650	60,790
Operating cash flows before changes in working capital		6,290	3,597
Working capital changes:			
Debtors		-	10
Loans to related companies		(178,870)	46,155
Amounts owing by related companies		(15,042)	(1,324)
Amounts owing to holding and related companies		(215,903)	(1,143,528)
Creditors		14	-
Cash flows used in operations		(403,511)	(1,095,090)
Interest received		71,681	88,409
Interest paid		(66,962)	(84,868)
Income taxes paid		(450)	(729)
Net cash flows used in operating activities		(399,242)	(1,092,278)
Financing Activities:			
Drawdown of long-term borrowings		110,000	50,000
Repayment of long-term borrowings		(141,000)	(30,000)
Net cash flows (used in)/from financing activities		(31,000)	20,000
Net change in cash and cash equivalents		(430,242)	(1,072,278)
Cash and cash equivalents at beginning of year	10	784,332	1,856,610
Cash and cash equivalents at end of year	10	354,090	784,332

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

KEPPEL LAND FINANCIAL SERVICES PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2016

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

Keppel Land Financial Services Pte. Ltd. (the "Company") is a limited liability company incorporated in Singapore.

The registered office of the Company is 1 HarbourFront Avenue, #18-01 Keppel Bay Tower, Singapore 098632.

The principal place of business of the Company is located at 230 Victoria Street, #15-05 Bugis Junction Towers, Singapore 188024.

The financial statements of Keppel Land Financial Services Pte. Ltd. for the financial year ended 31 December 2016 were authorised for issue on 24 May 2017 in accordance with a resolution of the Board of Directors.

The principal activity of the Company is the provision of financial services to the companies within the Keppel Land Limited Group.

The immediate holding company is Keppel Land Limited, incorporated in Singapore.

The ultimate holding company is Keppel Corporation Limited, incorporated in Singapore.

Related companies in these financial statements refer to members of Keppel Corporation Limited.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are expressed in Singapore dollars ("SGD" or "\$") and all values are rounded to the nearest thousand (\$'000), except where otherwise indicated.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2016

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of Preparation (continued)

Adoption of New and Revised Standards

The accounting policies adopted are consistent with those of the previous financial year, except in the current year, the Company adopted the following new and revised standards that are relevant and effective for financial years beginning on or after 1 January 2016:

Improvements to Financial Reporting Standards (November 2014)

- Amendments to FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*
- Amendments to FRS 107 *Financial Instruments: Disclosures*
- Amendment to FRS 19 *Employee Benefits*

Amendments to FRS 27 *Separate Financial Statements: Equity Method in Separate Financial Statements*

Amendments to FRS 16 *Property, Plant and Equipment* and FRS 38 *Intangible Assets: Clarification of Acceptable Methods of Depreciation and Amortisation*

Amendments to FRS 111 *Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations*

Amendments to FRS 110 *Consolidated Financial Statements*, FRS 112 *Disclosure of Interests in Other Entities*,

FRS 28 *Investments in Associates and Joint Ventures - Investment Entities: Applying the Consolidation Exception*

Amendments to FRS 1 *Presentation of Financial Statements: Disclosure Initiative*

The adoption of the above FRSs did not result in any substantial change to the Company accounting policies nor any significant impact on the financial statements of the Company.

(b) Financial Assets

Financial assets are recognised on the balance sheet when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. Financial assets include loans to and amounts owing by related companies, cash and cash equivalents and debtors. When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through the profit and loss account, directly attributable transaction costs. The Company determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been previously recognised in other comprehensive income is recognised in the profit and loss account.

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables comprise loans to and amounts owing by related companies, cash and cash equivalents and debtors. Subsequent to initial recognition, loans and receivables are measured at amortised carrying value using the effective interest method, less impairment losses. Gains and losses are recognised in the profit and loss account when the loans and receivables are derecognised or impaired, and through the amortisation process.

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2016

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Impairment of Financial Assets

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

Assets Carried at Amortised Carrying Value

If there is objective evidence that a financial asset carried at amortised carrying value is impaired, the amount of the loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows discounted at the original effective interest rate of the financial asset. The carrying amount of the asset is reduced through the use of an allowance account, and the loss is recognised in the profit and loss account.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortised carrying value at the reversal date. The amount of reversal is recognised in the profit and loss account.

(d) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, fixed deposits with banks, and cash sweep account with a related company which is readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(e) Derivative Financial Instruments and Hedge Accounting

Derivative financial instruments are initially recognised at fair value on the dates the derivative contracts are entered into and are subsequently remeasured at fair value. Derivative financial instruments are carried as assets when the fair values are positive and as liabilities when the fair values are negative.

Gains or losses arising from changes in fair value of derivative financial instruments that do not qualify for hedge accounting are taken to the profit and loss account for the year.

Hedge Accounting

The Company applies hedge accounting for certain qualifying hedging transactions.

At the inception of a hedging relationship, the Company formally designates and documents the hedging relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2016

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Derivative Financial Instruments and Hedge Accounting (continued)

For fair value hedges, changes in the fair value of the designated hedging instrument are recognised in the profit and loss account. The hedged item is adjusted to reflect in its fair value in respect of the risk hedged, with any gain or loss recognised in the profit and loss account.

(f) Financial Liabilities

Financial liabilities within the scope of FRS 39 are recognised on the balance sheet when, and only when, the Company becomes a party to the contractual provisions of the financial instrument.

Financial liabilities include amounts owing to holding and related companies, creditors and long-term borrowings. All financial liabilities, other than financial liabilities at fair value through the profit and loss account, are recognised initially at fair value, plus directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised carrying value using the effective interest method.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss is recognised in the profit and loss account when the liability is derecognised, and through the amortisation process.

(g) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable.

Interest income is recognised on a time proportion basis (using the effective interest method).

(h) Borrowing Costs

Borrowing costs incurred for the provision of financial services to the companies within the Keppel Land Limited Group are taken to the profit and loss account over the period of borrowing using the effective interest method.

(i) Employee Benefits

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

Defined Contribution Plan

The Company makes contributions to pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies make contributions to the Central Provident Fund in Singapore, a defined contribution pension scheme. Contributions to pension schemes are recognised as an expense in the year in which the related service is performed.

Employee Leave Entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2016

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Taxation

Current Tax

Current tax assets and liabilities for the current and prior years are measured at the amounts expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Current tax is recognised in the profit and loss account except to the extent that the tax relates to items recognised outside the profit and loss account, either in other comprehensive income or directly in equity.

(k) Foreign Currencies

Functional Currency

Items included in the financial statements of each entity in the Company are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity ("functional currency").

The financial statements and the balance sheet and statement of changes in equity of the Company are presented in Singapore dollars, which is the functional currency of the Company.

Foreign Currency Transactions

Transactions in foreign currencies are translated at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at exchange rates approximating those ruling at that date. Exchange differences arising from settlement or translation of monetary items are taken to the profit and loss account.

(l) Critical Accounting Estimates and Judgement

(i) Critical Judgement Made in Applying the Company's Accounting Policies

In the process of applying the Company's accounting policies, management is of the opinion that there is no instance of application of judgement which is expected to have a significant effect on the amounts recognised in the financial statements.

(ii) Key Sources of Estimation Uncertainty

There are no areas involving a higher degree of judgement of complexity, or areas where assumptions and estimates are significant to the financial statements.

KEPPEL LAND FINANCIAL SERVICES PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS**
For the financial year ended 31 December 2016**3. REVENUE**

	2016	2015
	\$'000	\$'000
Interest income on loans to related companies	65,475	78,168
Interest income on deposits placed with a related company	6,197	10,226
Interest income from an external party	9	15
	<u>71,681</u>	<u>88,409</u>

Information on interest rates is disclosed in Notes 8 and 10.

4. COSTS

	2016	2015
	\$'000	\$'000
Management fees	64	64
Salaries, employees' benefit and leave entitlement	643	594
Contributions to Central Provident Fund	69	58
Other expenses	15	18
	<u>791</u>	<u>734</u>

5. INTEREST EXPENSES

	2016	2015
	\$'000	\$'000
Interest expenses on loans from:		
Immediate holding company	54,730	70,872
Related companies	684	2,605
Banks	11,559	11,444
	<u>66,973</u>	<u>84,921</u>

Information on interest rates is disclosed in Notes 12 and 13.

KEPPEL LAND FINANCIAL SERVICES PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2016

6. INCOME TAX EXPENSE

	2016 \$'000	2015 \$'000
Current tax:		
Current income tax	648	448
Under/(Over) provision in respect of previous years	4	(142)
	<u>652</u>	<u>306</u>

The reconciliation between the tax expense reported and the product of accounting profit multiplied by the applicable tax rate is as follows:

	2016 \$'000	2015 \$'000
Pre-tax profit/(loss)	<u>42,873</u>	<u>(53,705)</u>
Tax calculated at tax rate of 17% (2015: 17%)	7,288	(9,130)
Adjustments:		
Non-deductible expenses	2,368	9,630
Income not subject to tax	(8,962)	-
Effect of partial tax exemption	(46)	(46)
Under/(Over) provision in respect of previous years	4	(142)
Others	-	(6)
	<u>652</u>	<u>306</u>

7. SHARE CAPITAL

	2016 \$'000	2015 \$'000
Issued and fully paid:		
2 (2015: 2) ordinary shares	<u>- *</u>	<u>- *</u>

The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

The ordinary shares have no par value.

* Denotes amount less than \$1,000.

KEPPEL LAND FINANCIAL SERVICES PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2016

8. LOANS TO RELATED COMPANIES

	2016 \$'000	2015 \$'000
<u>Current</u>		
Loans to related companies	1,189,084	1,242,289
Convertible loans	79,063	75,890
	<u>1,268,147</u>	<u>1,318,179</u>
<u>Non-current</u>		
Loans to related companies	<u>1,295,653</u>	<u>1,066,751</u>

Loans to related companies

The current portion of the loans is unsecured, bears interest at 2.25% per annum (2015: 3.0%) and is repayable on demand. The non-current portion of the loans is unsecured, bears interest at rates ranging from 1.7% to 7.0% (2015: 0.2% to 6.5%) and is to be repaid after one year. The amounts are to be settled in cash.

Convertible loans

The Company shall have the right (but shall not be obliged) to convert the whole or any part of the loan remaining outstanding (including interests accrued thereon) into fully paid redeemable cumulative preference shares at any time, whether prior to, on or after the maturity date of 30 June 2016. The maturity date of the loan shall be automatically extended by a period of 6 months subsequent to each maturity date until the Company elects to cease the automatic extension at the next maturity date. Holders of the preference shares shall be entitled to be paid out of distributable profits a cumulative preference dividend calculated at 3-month or 6-month SIBOR plus 3% per annum.

The interest rate of the interest-bearing convertible loans range from 3.94% to 4.31% (2015: 3.04% to 3.14%).

The convertible loans are denominated in Singapore dollar.

9. AMOUNTS OWING BY RELATED COMPANIES

	2016 \$'000	2015 \$'000
Current accounts	<u>35,900</u>	<u>20,858</u>

The current accounts are unsecured, interest-free and have no fixed terms of repayment. The amounts are to be settled in cash.

KEPPEL LAND FINANCIAL SERVICES PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS**
For the financial year ended 31 December 2016**10. CASH AND CASH EQUIVALENTS**

	2016	2015
	\$'000	\$'000
Bank balances and cash	9	31
Deposits placed with a related company	354,047	784,247
Cash sweep with a related company	34	54
	354,090	784,332

Deposits are placed with a related company for varying periods of between one day and three months depending on the immediate cash requirements of the Company and earn interest at rates ranging from 0.10% to 5.5% (2015: 0.15% to 2.99%) per annum.

11. CREDITORS

	2016	2015
	\$'000	\$'000
Accrued operating expenses	23	10
Interest payable	714	702
	737	712

12. AMOUNTS OWING TO HOLDING AND RELATED COMPANIES

	2016	2015
	\$'000	\$'000
Current accounts:		
Amounts owing to immediate holding company	4,993	5,912
Amounts owing to related companies	34	50
	5,027	5,962
Loan accounts:		
Amounts owing to immediate holding company	768,892	868,478
Amounts owing to related companies	80,352	95,922
	849,244	964,400
Total	854,271	970,362

The current accounts are unsecured, interest-free and are repayable on demand. The amounts are to be settled in cash.

The loan accounts with immediate holding company are unsecured, bear interest at rates ranging from 0.10% to 3.90% (2015: 0.30% to 3.90%) per annum and are repayable within one year. The amounts are to be settled in cash.

KEPPEL LAND FINANCIAL SERVICES PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS**
For the financial year ended 31 December 2016**13. LONG-TERM BORROWINGS**

	2016	2015
	\$'000	\$'000
Borrowings under MTN Programme	357,691	351,753
Loans from immediate holding company	1,769,900	1,894,000
	<u>2,127,591</u>	<u>2,245,753</u>

On 22 November 2012, the Company and its immediate holding company, Keppel Land Limited ("KLL") (collectively, the "Issuers") established a US\$3 billion Multicurrency Medium Term Note ("MTN") Programme pursuant to which the Issuers may, from time to time, issue notes or perpetual securities (the "Securities") in series or tranches and denominated in any currency agreed between the relevant issuer and the relevant dealers in relation to each issue of Securities and as specified in the applicable pricing supplement. On 11 December 2012, the Company issued unsecured fixed rate notes of US\$250,000,000 due in 2019, which are guaranteed by KLL, at an interest rate of 3.259% per annum.

Long-term loans from immediate holding company are unsecured, bear interest at rates ranging from 1.15% to 3.9% (2015: 0.3% to 3.9%) per annum and are to be repaid after one year. The amounts are to be settled in cash. The current portion is disclosed in Note 12.

14. SIGNIFICANT RELATED PARTY TRANSACTIONS

The following are the significant transactions entered into by the Company with related parties on terms agreed between the parties:

	2016	2015
	\$'000	\$'000
Interest income on loans to related companies	65,475	78,168
Foreign exchange forward contracts entered into with immediate holding company	25,061	-
Foreign exchange forward contracts entered into with a related company	19,464	-
Interest income on deposits placed with a related company	6,197	10,226
Interest expense on loans from immediate holding company	54,730	70,872
Interest expense on loans from related companies	684	2,605
Management fee paid or payable to a related company	<u>64</u>	<u>64</u>

There is no key management personnel in the Company.

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to a variety of financial risks pertaining to changes in interest rates, fluctuations in currency exchange rates, credit and liquidity risks. The Company's overall risk management strategy seeks to minimise the adverse effects from the unpredictability of financial markets on the Company's profit.

Assessment of financial risk is carried out regularly by management, which will review and guide management on the Company's risk profile, risk identification, management of significant risks, risk mitigation strategies, and risks policies.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2016

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

The risk management policies are summarised as follows:

(a) Interest Rate Risk

Interest rate risk arises from changes in interest rates that may have an adverse effect on the Company's profit and loss. Interest charged by the related companies fluctuates according to changes in market rate. Interest rates on loans to related companies are mutually agreed.

If interest rates increase/decrease by 0.5% (2015: 0.5%) with all other variables, including tax rate, being held constant, the Company's profit after tax will be lower/higher by \$7,861,000 (2015: \$8,858,000).

(b) Foreign Currency Risk

Foreign currency risk arises when transactions are denominated in currencies other than the functional currency of the Company, and such changes will impact the Company's profit.

During the year, the Company entered into foreign exchange forward contracts to hedge the currency exposure of its certain USD denominated loans and fair value hedge accounting is applied. As at 31 December 2016, the Company has outstanding notional amounts of US\$550 million. The fair value of the contracts which are recognised as derivative financial instruments is \$44,525,000.

The carrying amounts of significant financial assets and liabilities denominated in currencies other than the functional currency of the Company are as follows:

	2016		2015	
	United States Dollar (USD) \$'000	Renminbi (RMB) \$'000	United States Dollar (USD) \$'000	Renminbi (RMB) \$'000
<u>Financial Assets</u>				
Loans to related companies	224,046	-	203,828	-
Amounts owing by related companies	21,002	179	11,921	23
Cash and cash equivalents	259,811	93,603	7,120	12,806
<u>Financial Liabilities</u>				
Long-term borrowings	(788,150)	-	(916,500)	-
Amounts owing to holding and related companies	(8,440)	-	(32,287)	-
	(291,731)	93,782	(725,918)	12,829
Less: Foreign exchange forward contracts	788,150	-	-	-
Net assets/(liabilities)	496,419	93,782	(725,918)	12,829

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2016

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Foreign Currency Risk (continued)

Sensitivity analysis for currency risk

If the relevant foreign currencies change against SGD by 5% (2015: 5%) with all other variables, being held constant, the effects arising from the net financial liability position will be as follows:

	Profit/(loss) after Taxation	
	Increase/(Decrease)	
	2016	2015
	\$'000	\$'000
<hr/>		
USD against SGD		
- strengthened	24,821	36,296
- weakened	(24,821)	(36,296)
RMB against SGD		
- strengthened	4,689	(641)
- weakened	(4,689)	641

(c) Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. Credit risks are monitored on an ongoing basis.

The maximum exposure to credit risk is the carrying amount of financial assets which are mainly debtors, loans to related companies, amounts owing by related companies and cash and cash equivalents.

As at 31 December 2016 and 2015, there were no significant concentration of credit risks other than the loans to related companies, amounts owing by related companies and deposits placed with a related company as disclosed in Notes 8, 9 and 10. There is no class of financial assets that are past due but not impaired.

(d) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by maintaining sufficient cash, internally generated cash flows, and the availability of funding resources through adequate committed credit facilities.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2016

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**(d) Liquidity Risk (continued)**

The table below summarises the maturity profile of the financial liabilities and derivative financial instruments at the balance sheet date based on contractual undiscounted payments, including interest payables and excluding the impact of netting agreements.

	2016			
	Within	Between	After 5	Total
	1 Year	1 to 5	Years	
	\$'000	\$'000	\$'000	\$'000
<u>Non-Derivative Financial Liabilities</u>				
Borrowings	54,991	2,267,678	347,819	2,670,489
Creditors	737	-	-	737
Amounts owing to holding and related companies	856,321	-	-	856,321
	912,049	2,267,678	347,819	3,527,547
<u>Derivative Financial Assets/ (Liabilities)</u>				
Gross-settled forward currency contracts				
- Outflow	-	(743,550)	-	(743,550)
- Inflow	-	788,075	-	788,075
	2015			
	Within	Between	After 5	Total
	1 Year	1 to 5	Years	
	\$'000	\$'000	\$'000	\$'000
<u>Non-Derivative Financial Liabilities</u>				
Borrowings	61,383	2,067,993	360,524	2,489,900
Creditors	712	-	-	712
Amounts owing to holding and related companies	970,723	-	-	970,723
	1,032,818	2,067,993	360,524	3,461,335

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2016

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**(e) Categories of Financial Assets and Financial Liabilities**

The following table sets out the financial instruments as at the balance sheet date:

	2016	2015
	\$'000	\$'000
<u>Financial Assets</u>		
Derivative financial instruments	44,525	-
Loans and receivables (including cash and cash equivalents)	2,953,796	3,190,126
<u>Financial Liabilities</u>		
Liabilities at amortised carrying value	2,982,599	3,216,827

(f) Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholder, issue new shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on shareholder's equity.

The Company is not subject to any externally imposed capital requirements for the financial years ended 31 December 2015 and 2016.

16. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES**(a) Fair Value Hierarchy**

The Company classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. There are three fair value hierarchy levels, as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Unobservable inputs for the asset or liability

Transfers between levels of the fair value hierarchy are deemed to have occurred on the date of the event or change in circumstances that caused the transfers.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2016

16. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (continued)

(b) Assets and liabilities Measured at Fair Value

The following table shows an analysis of assets and liabilities carried at fair value by fair value hierarchy level:

	2016	2015
	Level 2	Level 2
	\$' 000	\$' 000
<u>Financial Assets</u>		
Derivative financial instrument		
– Forward currency contracts	44,525	-

There have been no transfers between Level 1, Level 2 and Level 3 during 2016 and 2015.

(c) Level 2 Fair Value Measurement

Forward currency contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves and forward rate curves.

(d) Assets and Liabilities not Carried at Fair Value for Which Fair Value is Disclosed

The carrying amounts of the following financial assets and liabilities of the Company approximate their fair values due to their short-term nature: cash and cash equivalents, debtors and creditors, loans to related companies (current portion) and amounts owing by/to holding and related companies.

The fair values of the long-term borrowings as at 31 December 2016 and 2015 are as stated below. They are estimated using discounted cash flow analysis based on market rates for similar types of borrowing arrangements.

	2016		2015	
	Carrying	Fair	Carrying	Fair
	Amount	Value	Amount	Value
	\$'000	\$'000	\$'000	\$'000
Loans to related companies (Note 8)	1,295,653	1,290,647	1,066,751	1,061,434
Long-term borrowings (Note 13)	2,127,591	2,156,191	2,245,753	2,262,052

The fair values are classified within level 2 of the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2016

17. FUTURE CHANGES IN ACCOUNTING POLICIES

The Company has not adopted the following standards that have been issued but not yet effective:

Description	Effective for Annual Periods Beginning on or after
Amendments to FRS 7 <i>Disclosure Initiative</i>	1 January 2017
Amendments to FRS 12 <i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017
FRS 115 <i>Revenue from Contracts with Customers</i>	1 January 2018
Amendments to FRS 115: <i>Clarifications to FRS 115 Revenue from Contracts with Customers</i>	1 January 2018
FRS 109 <i>Financial Instruments</i>	1 January 2018
FRS 116 <i>Leases</i>	1 January 2019

The Company expects the adoption of the standards above will have no material impact on the financial statements in the period of initial application except FRS 115 and FRS 109.

FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied.

Key issues for the Company include identifying performance obligations, accounting for contract modifications, applying the constraint to variable consideration, evaluating significant financing components, measuring progress toward satisfaction of a performance obligation, recognising contract cost assets and addressing disclosure requirements.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Company is currently assessing the impact of FRS 115.

FRS 109 Financial Instruments

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model.

FRS 109 is effective for annual periods beginning on or after 1 January 2018 with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Company is currently assessing the impact of FRS 109.

ISSUERS

Keppel Land Financial Services Pte. Ltd.

1 HarbourFront Avenue
#18-01 Keppel Bay Tower
Singapore 098632

Keppel Land Limited

230 Victoria Street
#15-05 Bugis Junction Towers
Singapore 188024

GUARANTOR

Keppel Land Limited

230 Victoria Street
#15-05 Bugis Junction Towers
Singapore 188024

DEALERS

Australia and New Zealand Banking Group Limited

10 Collyer Quay
#21-00 Ocean Financial Centre
Singapore 049315

Credit Suisse (Singapore) Limited

1 Raffles Link
#03-01 One Raffles Link
Singapore 039393

DBS Bank Ltd.

12 Marina Boulevard, Level 42
Marina Bay Financial Centre
Tower 3
Singapore 018982

The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch

21 Collyer Quay
#10-01 HSBC Building
Singapore 049320

Standard Chartered Bank

8 Marina Boulevard, Level 20
Marina Bay Financial Centre
Tower 1
Singapore 018981

TRUSTEE

HSBC Institutional Trust Services (Singapore) Limited

21 Collyer Quay
#06-01 HSBC Building
Singapore 049320

PRINCIPAL PAYING AGENT, REGISTRAR AND TRANSFER AGENT

The Hongkong and Shanghai Banking Corporation Limited

Level 30, HSBC Main Building
1 Queen's Road Central, Hong Kong

CMU LODGING AND PAYING AGENT

The Hongkong and Shanghai Banking Corporation Limited

Level 30, HSBC Main Building
1 Queen's Road Central, Hong Kong

CDP PAYING AGENT

The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch

21 Collyer Quay
#03-01 HSBC Main Building
Singapore 049320

AUDITORS

PricewaterhouseCoopers LLP

8 Cross Street
#17-00 PWC Building
Singapore 048424