

Pricing Supplement



HOUSING & DEVELOPMENT BOARD

HOUSING AND DEVELOPMENT BOARD
S\$32,000,000,000
Multicurrency Medium Term Note Programme

SERIES NO: 103
TRANCHE NO: N.A.
S\$1,100,000,000 Fixed Rate Green Notes Due 2027
Issue Price: 100 per cent.

Bank of China Limited, Singapore Branch
4 Battery Road
Bank of China Building Level 22 (New Wing)
Singapore 049908

DBS Bank Ltd.
12 Marina Boulevard, Level 42
Marina Bay Financial Centre Tower 3
Singapore 018982

Oversea-Chinese Banking Corporation Limited
63 Chulia Street
#03-05 OCBC Centre East
Singapore 049514

United Overseas Bank Limited
80 Raffles Place #03-01
UOB Plaza 1
Singapore 048624

Fiscal Agent
Citicorp Investment Bank (Singapore) Limited
5 Changi Business Park Crescent
#07-00 Changi Business Park
Singapore 486027

The date of this Pricing Supplement is 12 July 2022.

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

This Pricing Supplement under which the Notes described herein (the “**Notes**”) are issued, is supplemental to, and should be read in conjunction with, the Information Memorandum (the “**Information Memorandum**”) dated 3 November 2021 issued in relation to the S\$32,000,000,000 Multicurrency Medium Term Note Programme of Housing and Development Board (the “**Issuer**”). Terms defined in the Information Memorandum have the same meaning in this Pricing Supplement. The Notes will be issued on the terms of this Pricing Supplement read together with the Information Memorandum.

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

Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act 1947 (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 Singapore income tax (including for the reasons described above) shall include such income in a return of income made under the ITA.

Notification under Section 309B of the SFA: The Notes are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

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

1.	Series No.:	103
2.	Tranche No.:	Not applicable
3.	Currency:	Singapore dollars
4.	Principal Amount of Series	S\$1,100,000,000
5.	Principal Amount of Tranche:	Not applicable
6.	Denomination Amount:	S\$250,000
7.	Calculation Amount (if different from Denomination Amount):	Not applicable
8.	Issue Date:	13 July 2022
9.	Form:	Bearer
10.	Redemption Amount (including early redemption):	Denomination Amount
11.	Interest Basis:	Fixed Rate
12.	Interest Commencement Date:	13 July 2022
13.	Fixed Rate Note	
	(a) Maturity Date:	Unless previously redeemed or purchased and cancelled, the Notes will be redeemed at their principal amount on 13 July 2027
	(b) Day Count Fraction:	Actual/Actual (ICMA)
	(c) Interest Payment Date(s):	Interest on the Notes will be payable semi-annually in arrear on 13 January and 13 July in each year, commencing 13 January 2023
	(d) Initial Broken Amount:	Not applicable
	(e) Final Broken Amount:	Not applicable
	(f) Interest Rate:	2.940 per cent. per annum
	(g) Determination Date:	Each Interest Payment Date
14.	Floating Rate Note	Not applicable

15.	Variable Rate Note	Not applicable
16.	Issuer's Redemption Option Issuer's Redemption Option Period (Condition 4(d)):	No
17.	Noteholders' Redemption Option Noteholders' Redemption Option Period (Condition 4(e)):	No
18.	Issuer's Purchase Option Issuer's Purchase Option Period (Condition 4(b)):	No
19.	Noteholders' VRN Purchase Option Noteholders' VRN Purchase Option Period (Condition 4(c)(i)):	No
20.	Noteholders' Purchase Option Noteholders' Purchase Option Period (Condition 4(c)(ii)):	No
21.	Redemption for Taxation Reasons permitted on days other than Interest Payment Dates:	Yes
22.	Notes to be represented on issue by:	The Notes will be represented by a Permanent Global Note, without interest coupons, which will be deposited with The Central Depository (Pte) Limited on or about the Issue Date. The Permanent Global Note will be exchangeable for Notes in definitive form in the denomination of S\$250,000 each with interest coupons attached only in certain limited circumstances set out in it.
23.	Temporary Global Note exchangeable for Definitive Notes:	Not applicable
24.	Temporary Global Note exchangeable for Permanent Global Note:	Not applicable
25.	Applicable TEFRA exemption:	C Rules
26.	Listing:	Singapore Exchange Securities Trading Limited
27.	Rating:	The Notes to be issued are assigned a rating of "AAA" by Fitch

28.	ISIN Code:	SGXF67086953
29.	Common Code:	250223790
30.	Clearing System(s):	The Central Depository (Pte) Limited
31.	Depository:	The Central Depository (Pte) Limited
32.	Delivery:	Delivery free of payment
33.	Method of issue of Notes:	Syndicated Issue
34.	The following Dealers are subscribing for the Notes:	Bank of China Limited, Singapore Branch, DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited
35.	Prohibition of Sales to EEA Retail Investors:	Not Applicable
36.	Prohibition of Sales to UK Retail Investors:	Not Applicable
37.	The aggregate principal amount of Notes issued has been translated into Singapore Dollars at the rate of [●] producing a sum of (for Notes not denominated in Singapore Dollars):	Not applicable
38.	Jurisdiction:	The courts of Singapore will have exclusive jurisdiction
39.	Status of Financial Sector Incentive Scheme:	As the Dealers in respect of the entire principal amount of the Notes, Bank of China Limited, Singapore Branch, DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited are each a Financial Sector Incentive (Bond Market) Company, Financial Sector Incentive (Capital Market) Company or Financial Sector Incentive (Standard Tier) Company, and subject to other conditions being met, the Notes are "qualifying debt securities" ("QDS") for the purposes of the ITA and the Income Tax (Qualifying Debt Securities) Regulations.

Please refer to the section on "Taxation" in the Information Memorandum for further details of the tax concessions for QDS Scheme.

40. Use of Proceeds

The net proceeds of the Notes are intended to be used to finance or refinance Eligible Green Projects under the Project Category of Green Buildings and for such other purposes, in each case, as set out in the "4.1 Use of Proceeds" section of the Green Finance Framework of the Issuer

41. Green Bonds

Yes

42. External Reviewer

Ernst & Young LLP

43. Date of limited assurance report from External Reviewer

18 February 2022

44. Other terms:

Nil

Details of any additions or variations to terms and conditions of the Notes as set out in the Information Memorandum:

Please refer to Appendix 1


Any additions or variations to the selling restrictions:

Please refer to Appendix 2

Others:

Nil

For and on behalf of
HOUSING AND DEVELOPMENT BOARD

By:  _____

Name: Randy Lim Chi Beng

Title: Assistant Chief Executive Officer (Corporate)

Appendix 1

1. The definition of "Day Count Fraction" appearing in Condition 3(II)(d) of the Notes on pages 46 to 47 of the Information Memorandum shall be amended by inserting the following as a new sub-clause (iv):

"(iv) if "**Actual/Actual (ICMA)**" is specified in the applicable Pricing Supplement,

- (A) if (in the case of Fixed Rate Notes) the Fixed Rate Interest Period or (in the case of Floating Rate Notes or Variable Rate Notes) the Interest Period is equal to or shorter than the Determination Period during which it falls, the number of days in (in the case of Fixed Rate Notes) the Fixed Rate Interest Period or (in the case of Floating Rate Notes or Variable Rate Notes) the Interest Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
- (B) if (in the case of Fixed Rate Notes) the Fixed Rate Interest Period or (in the case of Floating Rate Notes or Variable Rate Notes) the Interest Period is longer than one Determination Period, the sum of:
 - (i) the number of days in such (in the case of Fixed Rate Notes) Fixed Rate Interest Period or (in the case of Floating Rate Notes or Variable Rate Notes) Interest Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
 - (ii) the number of days in such (in the case of Fixed Rate Notes) Fixed Rate Interest Period or (in the case of Floating Rate Notes or Variable Rate Notes) Interest Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

where:

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

"**Determination Period**" means the period from and including the Interest Commencement Date to but excluding the first Determination Date and each successive period from and including a Determination Date in any year to but excluding the next Determination Date."

2. The Information Memorandum shall be amended by inserting the following additional risk factors in addition to those under the section titled "Risk Factors" appearing on page 15 of the Information Memorandum:

"The Notes may not be a suitable investment for all investors seeking exposure to green assets"

This risk factor and the risk factor "*There is no current market consensus on what constitutes a "green" or "sustainable" project*" set out below do not purport to be complete or comprehensive of all the risk factors that may be involved in the business, assets, financial condition or results of operations of the Issuer or any decision to purchase, own or dispose of the Notes. Additional risk factors which the Issuer is currently unaware of may also impair its business, assets, financial condition, results of operations, performance or prospects. If any of the following risk factors develops into actual events, the business, assets, financial condition or results of operations of the Issuer could be materially and adversely affected. In such cases, the ability of the Issuer to comply with its obligations under the Notes may be adversely affected and the investors may lose all or part of their investments in the Notes.

The Issuer has developed its green finance framework (as may be updated or amended from time to time, the "**Green Finance Framework**"), which sets out how the Issuer intends to enter into green finance transactions to finance or re-finance Eligible Green Projects under the Project Category of Green Buildings as set out in the Green Finance Framework. No assurance is given by the Issuer that the use of such proceeds for any Eligible Green Projects set out in the Green Finance Framework will satisfy, whether in whole or in part, investor expectations or requirements as regards any investment criteria or guidelines which such investor or its investments are required to comply with, whether by any present or future applicable law or regulations, by its own by-laws, other governing rules or investment portfolio mandates.

The Issuer has received from Ernst & Young LLP an independent limited assurance report dated 18 February 2022 (the "**Report**"), on the alignment of the Green Finance Framework to the Green Bond Principles 2021 issued by the International Capital Markets Association, the Green Bond Standards (2018) issued by the ASEAN Capital Markets Forum and the Green Loan Principles (2021) issued by the Asia Pacific Loan Market Association and Loan Syndications & Trading Association (collectively the "**Green Finance Principles**").

The Report is not incorporated into and does not form part of the Information Memorandum or the Pricing Supplement. None of HDB, any of the Dealers or any of their respective officers, employees or agents makes any representation as to the suitability of the Report or the Notes to fulfil such environmental and sustainability criteria. Prospective investors should have regard to the factors described in the Information Memorandum and in the "*Use of Proceeds*" section above regarding the use of proceeds. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Pricing Supplement and the Information Memorandum regarding the use of proceeds, and its purchase of Notes should be based upon such investigation as it deems necessary.

The Report and any further assurance statement or third party opinion that may be issued (collectively the "**Assurance Reports**") may not reflect the potential impact of all risks related to the structure, market and other factors that may affect the value of the Notes. The Assurance Reports are not a recommendation to buy, sell or hold securities and are only current as of the date that they were initially issued. The Assurance Reports are for information purposes only and none of HDB, any of the Dealers or any of their respective officers, employees or agents or the person issuing the Assurance Reports accepts any form of liability for the substance of such Assurance Reports and/or any liability for loss arising from the use of such Assurance Reports and/or the information provided therein.

Further, although the Issuer may agree at the Issue Date to allocate the net proceeds of the issue of the Notes towards the financing and/or refinancing of Eligible Green Projects in accordance

with certain prescribed eligibility criteria as described under the Green Finance Framework, it would not be an enforcement event under the Notes if (i) the Issuer were to fail to comply with such obligations or were to fail to use the proceeds in the manner specified in this Pricing Supplement and/or (ii) the Report issued in connection with the Green Finance Framework were to be withdrawn. A withdrawal of the Report or any failure by the Issuer to use the net proceeds from the Notes on Eligible Green Projects or to meet or continue to meet the investment requirements of certain environmentally focused investors with respect to such Notes may affect the value of the Notes and/or may have consequences for certain investors with portfolio mandates to invest in green assets.

There is no current market consensus on what constitutes a “green” or “sustainable” project

There is no current market consensus on what precise attributes are required for a particular project to be defined as “green or sustainable” and therefore the Eligible Green Projects may not meet the criteria and expectations of all investors regarding environmental impact and sustainability performance. Although the underlying projects have been selected in accordance with the categories recognised by, *inter alia*, the Green Bond Principles and will be developed in accordance with relevant legislation and standards, there can be no guarantee that adverse environmental and/or social impacts will not occur during the design, construction, commissioning and operation of the projects. In addition, where negative impacts are insufficiently mitigated, the projects may become controversial, and/or may be criticised by activist groups or other stakeholders. The Issuer may not meet or continue to meet the investment requirements of certain environmentally focused investors with respect to the Notes, which may also have consequences for certain investors with portfolio mandates to invest in green assets. Each potential purchaser of the Notes should determine for itself the relevance of the information contained in this Pricing Supplement and the Information Memorandum regarding the use of proceeds of the Notes.

While it is the intention that the proceeds of any Notes so specified for Eligible Green Projects be applied by the Issuer in the manner described above under the section “*Use of Proceeds*” above, there can be no assurance that the relevant project(s) or use(s) the subject of, or related to, any Eligible Green Projects will be capable of being implemented in, or substantially in, such manner and/or accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such projects. Nor can there be any assurance that such Eligible Green Projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer.”

Appendix 2

1. The first three paragraphs on the cover page of the Information Memorandum shall be deleted in its entirety and substituted therefor with the following:

"This Information Memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of notes (the "**Notes**") to be issued from time to time by Housing and Development Board (the "**Issuer**") pursuant to the Programme may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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

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

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA; or
- (2) where no consideration is or will be given for the transfer; or
- (3) where the transfer is by operation of law; or
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Any reference to the SFA is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time."

2. The section "Singapore Taxation" appearing from page 68 to 71 of the Information Memorandum shall be deleted in its entirety and substituted with the following:

"Singapore 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 MAS in force as at the date of this Information Memorandum and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. Neither these statements nor any other statements in this Information Memorandum are intended or are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Notes are advised to consult their own tax advisors as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that neither the Issuer nor any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes.

1. Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the Income Tax Act 1947 (the "**Income Tax Act**"), the following payments are deemed to be derived from Singapore:

- (a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or
- (b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17 per cent. The applicable rate for non-resident individuals is currently 22 per cent., and is proposed to be increased to 24 per cent. from the year of assessment 2024 pursuant to the Singapore Budget Statement 2022. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15 per cent. The rate of 15 per cent. may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

- (a) interest from debt securities derived on or after 1 January 2004;
- (b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and
- (c) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

In addition, with respect to any tranche of the Notes issued as debt securities under the Programme (the "Relevant Notes") during the period from the date of this Information Memorandum to 31 December 2023 where more than half of the issue of such Relevant Notes are distributed by Financial Sector Incentive – Capital Market, Financial Sector Incentive – Standard Tier or Financial Sector Incentive – Bond Market companies, such tranche of Relevant Notes would be qualifying debt securities ("QDS") for the purposes of the Income Tax Act, to which the following treatment applies:

- (i) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require and the inclusion by the Issuer in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, break cost, prepayment fee or redemption premium from the Relevant Notes is derived by any person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Notes using funds from that person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), break cost, prepayment fee and redemption premium (collectively, the "Qualifying Income") from the Relevant Notes derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Notes are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore tax;
- (ii) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require), Qualifying Income from the Relevant Notes derived by any company or body of persons (as defined in the Income Tax Act) in Singapore is subject to tax at a concessionary rate of 10 per cent. (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and
- (iii) subject to:
 - (aa) the Issuer including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, break cost, prepayment fee or redemption premium derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the Income Tax Act; and

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

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

Notwithstanding the foregoing:

- (A) if during the primary launch of any tranche of Relevant Notes, the Relevant Notes of such tranche are issued to fewer than four persons and 50 per cent. or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Notes would not qualify as QDS; and
- (B) even though a particular tranche of Relevant Notes are QDS, if, at any time during the tenure of such tranche of Relevant Notes, 50 per cent. or more of such Relevant Notes which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from such Relevant Notes held by:
- (i) any related party of the Issuer; or
 - (ii) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term “**related party**”, in relation to a person (A), means any other person who, directly or indirectly, controls A, or is controlled, directly or indirectly, by A, or where A 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 Income Tax Act as follows:

“break cost”, in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;

“prepayment fee”, in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities; and

“redemption premium”, in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

References to “break cost”, “prepayment fee” and “redemption premium” in this Singapore tax disclosure have the same meaning as defined in the Income Tax Act.

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) is derived from the Relevant 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 QDS under the Income Tax Act (as mentioned above) shall not apply if such person acquires such Relevant Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) derived from the Relevant Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the Income Tax Act.

2. Capital Gains

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

Holders of the Notes who apply or are required to apply Singapore Financial Reporting Standard ("FRS") 39, FRS 109 or Singapore Financial Reporting Standard (International) 9 ("SFRS(I) 9") (as the case may be), may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 39, FRS 109 or SFRS(I) 9 (as the case may be). Please see the section below on "Adoption of FRS 39, FRS 109 or SFRS(I) 9 for Singapore income tax purposes".

3. Adoption of FRS 39, FRS 109 or SFRS(I) 9 for Singapore income tax purposes

Section 34A of the Income Tax Act provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and "opt-out" provisions) to taxpayers who are required to comply with FRS 39 for financial reporting purposes. The Inland Revenue Authority of Singapore has also issued a circular entitled "Income Tax Implications Arising from the Adoption of FRS 39 - Financial Instruments: Recognition and Measurement".

FRS 109 or SFRS(I) 9 (as the case may be) is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the Income Tax Act requires taxpayers who comply or who are required to comply with FRS 109 or SFRS(I) 9 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions. The Inland Revenue Authority of Singapore has also issued a circular entitled "Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments".

Holders of the Notes who may be subject to the tax treatment under Sections 34A or 34AA of the Income Tax Act should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

4. Estate Duty

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