

## IMPORTANT NOTICE

NOT FOR DISTRIBUTION IN THE UNITED STATES OR TO U.S. PERSONS

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

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

The attached information memorandum has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of Allgreen Treasury Pte. Ltd., Allgreen Properties Limited, DBS Bank Ltd. or any person who controls any of them nor any of their respective directors, officers, employees, agents, representatives or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the information memorandum distributed to you in electronic format and the hard copy version.

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

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

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

The attached information memorandum or any materials relating to the offering of securities do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering of securities be made by a licensed broker or dealer and the dealers or any affiliate of the dealers is a licensed broker or dealer in that jurisdiction, the offering of securities shall be deemed to be made by the dealers or such affiliate on behalf of Allgreen Treasury Pte. Ltd. or Allgreen Properties Limited in such jurisdiction. The attached information memorandum may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply.

You are reminded that you have accessed the attached information memorandum on the basis that you are a person into whose possession the attached information memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver this information memorandum, electronically or otherwise, to any other person. **If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.**

**Actions that You May Not Take:** If you receive the attached information memorandum by e-mail, you should not reply by e-mail, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

**YOU ARE NOT AUTHORISED TO AND YOU MAY NOT FORWARD OR DELIVER THE ATTACHED INFORMATION MEMORANDUM, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH INFORMATION MEMORANDUM IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT AND THE ATTACHED INFORMATION MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.**

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



**ALLGREEN TREASURY PTE. LTD.**

(Incorporated in the Republic of Singapore on 6 July 2007)  
(UEN/Company Registration No. 200712261K)

**S\$2,000,000,000**

**Multicurrency Debt Issuance Programme**

**Unconditionally and irrevocably guaranteed by  
ALLGREEN PROPERTIES LIMITED**

Under the Multicurrency Debt Issuance Programme described in this Information Memorandum (the “**Programme**”), Allgreen Treasury Pte. Ltd. (the “**Issuer**”), subject to compliance with all relevant laws, regulations and directives, may from time to time issue notes (the “**Notes**”) and perpetual securities (the “**Perpetual Securities**”) and, together with the Notes, the “**Securities**”). The aggregate principal amount of Notes outstanding will not at any time exceed S\$2,000,000,000 (or the equivalent in other currencies), subject to increase as described herein. The payment of all amounts payable in respect of the Securities will be unconditionally and irrevocably guaranteed by Allgreen Properties Limited (the “**Guarantor**”).

Defined terms used in this Information Memorandum shall have the meanings given to such terms in “Terms and Conditions of the Notes” and “Terms and Conditions of the Perpetual Securities”.

Application has been made to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for permission to deal in and the listing of and quotation for any Securities which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Securities have been admitted to the Official List of the SGX-ST. 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 the listing of and quotation for any Securities on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Guarantor, their respective subsidiaries and/or their respective associated companies (if any), the Programme or such Securities.

Unless otherwise stated in a relevant Pricing Supplement, Tranches of Securities to be issued under the Programme will be unrated.

This Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Securities may not be circulated or distributed, nor may the Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A), 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. See “Notice to Investors – Selling Restrictions - Singapore” for further details.

The Securities and the Guarantee have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and the Securities may include Bearer Securities (as defined herein) that are subject to U.S. tax law requirements. Subject to certain exceptions, the Securities may not be offered, sold, or, in the case of Bearer Securities, delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) unless an exemption from the registration requirement 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. Registered Global Securities are subject to certain restrictions on transfer. See “Subscription, Purchase and Distribution”.

Investing in Securities issued under the Programme involves certain risks. Prospective investors should have regard to the risks described in “Risk Factors” beginning on page 120 of this Information Memorandum.

This Information Memorandum is an advertisement and is not a prospectus for the purposes of EU Directive 2003/71/EC.

*Arranger and Dealer*



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## NOTICE TO INVESTORS

DBS Bank Ltd. (the “**Arranger**”) has been authorised by Allgreen Treasury Pte. Ltd. (the “**Issuer**”) to arrange the S\$2,000,000,000 Multicurrency Debt Issuance Programme (the “**Programme**”) described herein. Under the Programme, the Issuer may, subject to compliance with all relevant laws, regulations and directives, from time to time issue notes (the “**Notes**”) and perpetual securities (the “**Perpetual Securities**”), and together with the Notes, the “**Securities**”) denominated in Singapore dollars and/or any other currencies. The payment of all amounts payable in respect of the Securities will be unconditionally and irrevocably guaranteed by Allgreen Properties Limited (the “**Guarantor**”).

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

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

Perpetual Securities may be issued in series having one or more issue dates, and on identical terms (including as to listing) except for the issue dates, issue prices and/or the dates of the first payment of distribution. Each series may be issued in one or more tranches on the same or different issue dates. The Perpetual Securities will be issued in bearer form or registered form and may be listed on a stock exchange. The Perpetual Securities will initially be represented by either a Temporary Global Security in bearer form or a Permanent Global Security in bearer form or a registered Global Certificate which will be deposited on the issue date with or registered in the name of, or in the name of a nominee of, either CDP or a common depository for Euroclear and/or Clearstream, Luxembourg or otherwise delivered as agreed between the Issuer and the relevant Dealer(s). Subject to compliance with all relevant laws, regulations and directives, the Perpetual Securities may be subject to redemption or purchase in whole or in part. The Perpetual Securities may confer a right to receive distributions at a fixed or floating rate. Details applicable to each series or tranche of Perpetual Securities will be specified in the applicable Conditions of the Perpetual Securities as amended and/or supplemented by the applicable Pricing Supplement which is to be read in conjunction with this Information Memorandum.

The maximum aggregate principal amount of the Securities to be issued, when added to the aggregate principal amount of all Securities outstanding (as defined in the Trust Deed referred to herein) shall be S\$2,000,000,000 (or its equivalent in any other currencies) or such higher amount as may be increased pursuant to the terms and upon the conditions set out in the Programme Agreement (as defined herein).

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

The Securities and the Guarantee have not been, and will not be, registered under the Securities Act (as defined herein) or with any securities regulatory authority of any state or other jurisdiction of the United States and the Securities may include Bearer Securities (as defined here) that are subject to U.S. tax law requirements and restrictions. Subject to certain exceptions, the Securities may not be offered, sold or, in the case of Bearer Securities, delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder).

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

This Information Memorandum and any other document or material in relation to the issue, offering or sale of the Securities have been prepared solely for the purpose of the initial sale by the relevant Dealer(s) of the Securities from time to time to be issued pursuant to the Programme. This Information Memorandum and such other documents or materials are made available to the recipients thereof solely on the basis that they are persons falling within the ambit of Section 274 and/or Section 275 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”) and may not be relied upon by any person other than persons to whom the Securities are sold or with whom they are placed by the relevant Dealer(s) as aforesaid or for any other purpose. Recipients of this Information Memorandum shall not reissue, circulate or distribute this Information Memorandum or any part thereof in any manner whatsoever.

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

The Arranger and the Dealer(s) have not separately verified the information contained in this Information Memorandum. None of the Arranger, any of the Dealer(s) or any of their respective officers, employees or agents is making any representation, warranty or undertaking expressed or implied as to the merits of the Securities or the subscription for, purchase or acquisition thereof, or the creditworthiness or financial condition or otherwise of the Issuer, the Guarantor or their respective subsidiaries and/or associated companies (if any). Further, neither the Arranger nor any of the Dealer(s) makes any representation or warranty and no responsibility or liability is accepted by the Arranger or any of the Dealer(s) as to the Issuer, the Guarantor, their respective subsidiaries and/or associated companies (if any) or as to the accuracy, reliability or completeness of the information set out herein (including the legal and regulatory requirements pertaining to Sections 274, 275 and 276 or any other provisions of the SFA) and the documents which are incorporated by reference in, and form part of, this Information Memorandum.

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

To the fullest extent permitted by law, none of the Arranger or any of the Dealer(s) accept any responsibility for the contents of this Information Memorandum or for any other statement, made or purported to be made by the Arranger or any of the Dealer(s) or on its behalf in connection with the Issuer, the Guarantor, the Group or the issue and offering of the Securities. The Arranger and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Information Memorandum or any such statement.

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

The Group’s consolidated financial statements as at and for the six months ended 30 June 2018 and 2019 have not been audited, reviewed or subjected to any other procedures by the auditors of the Group. In addition, such information was compiled for the internal use of the Group, and is not required to be published or otherwise made publicly available, or to conform to any accounting standard. There can be no assurance that if such financial statements had been audited or reviewed that there would be no change in the financial statements and that such changes would not be material or that such financial information has been prepared and presented on a basis consistent with the accounting policies normally adopted by the Group and applied in preparing the consolidated financial statements as at and for

the year ended 31 December 2018. Consequently, such statements may not provide the same quality of information associated with financial information that has been subject to an audit or a full review. Potential investors must therefore exercise caution when using such data to evaluate the Issuer's financial condition, results of operations and results. As of the date of this Information Memorandum, the consolidated financial statements as at and for the year ended 31 December 2018 are the latest available audited or reviewed financial statements of the Group. Further, and for the foregoing reasons, such unaudited and unreviewed financial information may not be meaningful and are not a reliable indication of the future financial performance of the Group.

**The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated by reference in, and to form part of, this Information Memorandum: (1) any annual reports and any announced consolidated audited accounts and/or unaudited consolidated financial statements of the Guarantor and (2) any supplement or amendment to this Information Memorandum issued by the Issuer (including each relevant Pricing Supplement). This Information Memorandum is to be read in conjunction with all such documents which are incorporated by reference herein and, with respect to any series or tranche of Securities, any Pricing Supplement (as defined herein) in respect of such series or tranche. Any statement contained in this Information Memorandum or in a document deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in this Information Memorandum or in such subsequent document that is also deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum.**

Copies of all documents deemed incorporated by reference herein are available for inspection at the specified office of the Principal Paying Agent (as defined herein).

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

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding. The distribution of this Information Memorandum and the offering of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Information Memorandum comes are required by the Issuer, the Guarantor, the Arranger and the Dealers to inform themselves about and to observe any such restrictions. The attention of recipients of this Information Memorandum is drawn to the restrictions on resale of the Securities and distribution of this Information Memorandum set out under the section "Subscription, Purchase and Distribution" on pages 178 to 182 of this Information Memorandum.

**Any person(s) who is/are invited to purchase or subscribe for the Securities or to whom this Information Memorandum is sent shall not make any offer or sale, directly or indirectly, of any Securities or distribute or cause to be distributed any document or other material in connection therewith in any country or jurisdiction except in such manner and in such circumstances as will result in compliance with any applicable laws and regulations.**

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

**Prospective investors should pay attention to the risk factors set out in the section "Risk Factors".**

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

## Selling Restrictions - Singapore

This Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities may not be circulated or distributed, nor may the Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A), 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 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 (each term as defined in Section 2(1) of the SFA) or securities-based derivatives contracts (as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Securities pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA; 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, Chapter 289 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.

For a description of other restrictions, please refer to "Subscription, Purchase and Distribution".

**Notification under Section 309B of the SFA:** Unless otherwise stated in the Pricing Supplement in respect of any Securities, all Securities issued or to be issued under the Programme shall be 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).



## **Markets in Financial Instruments Directive II**

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

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

## **Packaged Retail Investment and Insurance Products – Prohibition of Sales to 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 to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, 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 or superseded, the “**Prospectus Directive**”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended or superseded, the “**PRIIPs Regulation**”) for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

## FORWARD-LOOKING STATEMENTS

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

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

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

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

Neither the delivery of this Information Memorandum nor the issue of any Securities by the Issuers shall under any circumstances constitute a continuing representation or create any suggestion or implication that there has been no change in the prospects, results of operations or general affairs of the Issuer, the Guarantor, the Group or any statement of fact or information contained in this Information Memorandum since the date of this Information Memorandum or the date on which this Information Memorandum has been most recently amended or supplemented.

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



## DEFINITIONS

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

- “AEI”** : Asset enhancement initiative.
- “Agency Agreement”** : The Agency Agreement dated 5 November 2019 made between (1) the Issuer, as issuer, (2) the Guarantor, as guarantor, (3) Deutsche Bank AG, Singapore Branch, as principal paying agent, CDP registrar and CDP transfer agent, (4) Deutsche Bank Aktiengesellschaft, acting through its Hong Kong branch, as non-CDP paying agent, non-CDP registrar and non-CDP transfer agent, and (5) the Trustee, as trustee, as amended, varied or supplemented from time to time.
- “Arranger”** : DBS Bank Ltd.
- “BCA”** : Building and Construction Authority.
- “Bearer Securities”** : Securities in bearer form.
- “business day”** : In respect of each Security, (a) a day (other than a Saturday, Sunday or gazetted public holiday) on which Euroclear, Clearstream, Luxembourg and the Depository, as applicable, are operating, (b) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in the country of the relevant Paying Agent’s specified office and (c) (if a payment is to be made on that day) (i) (in the case of Securities denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore, (ii) (in the case of Securities denominated in Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which the TARGET System is open for settlement in Euros and (iii) (in the case of Securities denominated in a currency other than Singapore dollars and Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore and the principal financial centre for that currency.
- “CAIA”** : Chartered Alternative Investment Analyst.
- “CDP Registrar”** : Deutsche Bank AG, Singapore Branch.
- “CDP Transfer Agent”** : Deutsche Bank AG, Singapore Branch.
- “CDP” or the “Depository”** : The Central Depository (Pte) Limited.
- “Certificate”** : A registered certificate representing one or more Registered Securities of the same Series, being substantially in the form set out in Part II of Schedule 1 to the Trust Deed or, as the case may be, Part II of Schedule 5 to the Trust Deed and, save as provided in the Conditions of the Notes or, as the case may be, the Conditions of the Perpetual Securities comprising the entire holding by a holder of Registered Securities of that Series.
- “CFA”** : Chartered Financial Analyst.

<b>“Clearstream, Luxembourg”</b>	:	Clearstream Banking, S.A.
<b>“Common Depository”</b>	:	In relation to a Series of Securities, a depository common to Euroclear and Clearstream, Luxembourg.
<b>“Companies Act”</b>	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time.
<b>“Conditions”</b>	:	<p>(a) In relation to the Notes of any Series, the terms and conditions applicable thereto, which shall be substantially in the form set out in Part III of Schedule 1 to the Trust Deed, as modified, with respect to any Notes represented by a Global Security or a Global Certificate, by the provisions of such Global Security or, as the case may be, Global Certificate, shall incorporate any additional provisions forming part of such terms and conditions set out in the Pricing Supplement(s) relating to the Notes of such Series and shall be endorsed on the Definitive Securities or, as the case may be, Certificates, subject to amendment and completion as referred to in the first paragraph appearing after the heading “Terms and Conditions of the Notes” as set out in Part III of Schedule 1 to the Trust Deed, and any reference to a particularly numbered Condition shall be construed accordingly; and</p> <p>(b) In relation to the Perpetual Securities of any Series, the terms and conditions applicable thereto, which shall be substantially in the form set out in Part III of Schedule 5 to the Trust Deed, as modified, with respect to any Perpetual Securities represented by a Global Security or a Global Certificate, by the provisions of such Global Security or, as the case may be, Global Certificate, shall incorporate any additional provisions forming part of such terms and conditions set out in the Pricing Supplement(s) relating to the Perpetual Securities of such Series and shall be endorsed on the Definitive Securities or, as the case may be, Certificates, subject to amendment and completion as referred to in the first paragraph appearing after the heading “Terms and Conditions of the Perpetual Securities” as set out in Part III of Schedule 5 to the Trust Deed, and any reference to a particularly numbered Condition shall be construed accordingly.</p>
<b>“Couponholders”</b>	:	The holders of the Coupons.
<b>“Coupons”</b>	:	The bearer coupons appertaining to an interest or distribution bearing Bearer Security.
<b>“Dealers”</b>	:	Persons appointed as dealers under the Programme.
<b>“Definitive Security”</b>	:	A definitive Bearer Security, being substantially in the form set out in (in the case of Notes) Part I of Schedule 1 to the Trust Deed and (in the case of Perpetual Securities) Part I of Schedule 5 to the Trust Deed and having, where appropriate, Coupons and/or a Talon attached on issue.
<b>“Depositors”</b>	:	Persons holding the Securities in securities accounts with CDP.

<b>“Directors”</b>	:	The directors (including alternate directors, if any) of the Issuer or, as the case may be, the Guarantor as at the date of this Information Memorandum.
<b>“EURIBOR”</b>	:	Euro Interbank Offered Rate.
<b>“Euro”</b>	:	The currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time.
<b>“Euroclear”</b>	:	Euroclear Bank SA/NV.
<b>“Extraordinary Resolution”</b>	:	A resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority of at least 75 per cent. of the votes cast.
<b>“FRM”</b>	:	Financial Risk Manager.
<b>“FY”</b>	:	Financial year ended or ending 31 December.
<b>“Global Certificate”</b>	:	A Certificate representing Registered Securities of one or more Tranches of the same Series that are registered in the name of, or in the name of a nominee of (a) the Common Depository, (b) the Depository and/or (c) any other clearing system.
<b>“Global Security”</b>	:	A global Security representing Bearer Securities of one or more Tranches of the same Series, being a Temporary Global Security and/or, as the context may require, a Permanent Global Security, in each case without Coupons or Talons.
<b>“Group”</b>	:	Allgreen Properties Limited and its subsidiaries and associated companies.
<b>“Guarantee”</b>	:	The guarantee and indemnity of the Guarantor contained in the Trust Deed.
<b>“Guarantor”</b>	:	Allgreen Properties Limited.
<b>“IRAS”</b>	:	The Inland Revenue Authority of Singapore.
<b>“Issuer”</b>	:	Allgreen Treasury Pte. Ltd.
<b>“ITA”</b>	:	Income Tax Act, Chapter 134 of Singapore, as amended or modified from time to time.
<b>“Kuok (Singapore) Limited Group”</b>	:	Kuok (Singapore) Limited and its subsidiaries and associated companies.
<b>“Latest Practicable Date”</b>	:	30 September 2019.
<b>“LIBOR”</b>	:	London Interbank Offered Rate.
<b>“Listing Manual”</b>	:	The Listing Manual of the SGX-ST, as amended or modified from time to time.
<b>“MAS”</b>	:	The Monetary Authority of Singapore.

<b>“Non-CDP Paying Agent”</b>	:	Deutsche Bank Aktiengesellschaft, acting through its Hong Kong branch.
<b>“Non-CDP Registrar”</b>	:	Deutsche Bank Aktiengesellschaft, acting through its Hong Kong branch.
<b>“Non-CDP Transfer Agent”</b>	:	Deutsche Bank Aktiengesellschaft, acting through its Hong Kong branch.
<b>“Noteholders”</b>	:	The holders of the Notes.
<b>“Notes”</b>	:	The notes issued or to be issued by the Issuer under the Programme and constituted by the Trust Deed (and shall, where the context so admits, include the Global Securities, the Definitive Securities and any related Coupons and Talons, the Global Certificates and the Certificates relating thereto).
<b>“Permanent Global Security”</b>	:	A Global Security representing Bearer Securities of one or more Tranches of the same Series, either on issue or upon exchange of interests in a Temporary Global Security, being substantially in the form set out in Schedule 3 to the Trust Deed or, as the case may be, Schedule 7 to the Trust Deed.
<b>“Perpetual Securities”</b>	:	The perpetual securities issued or to be issued by the Issuer under the Programme and constituted by the Trust Deed (and shall, where the context so admits, include the Global Securities, the Definitive Securities and any related Coupons and Talons, the Global Certificates and the Certificates relating thereto).
<b>“Perpetual Securityholders”</b>	:	The holders of the Perpetual Securities.
<b>“PRC”</b>	:	The People’s Republic of China.
<b>“Pricing Supplement”</b>	:	In relation to a Tranche or Series, a pricing supplement, supplemental to this Information Memorandum, specifying the relevant issue details in relation to such Tranche or, as the case may be, Series, substantially in the form of Appendix 2 or, as the case may be, Appendix 3 to the Programme Agreement.
<b>“Principal Paying Agent”</b>	:	Deutsche Bank AG, Singapore Branch.
<b>“Programme”</b>	:	The S\$2,000,000,000 Multicurrency Debt Issuance Programme of the Issuer.
<b>“Programme Agreement”</b>	:	The Programme Agreement dated 5 November 2019 made between (1) the Issuer, as issuer, (2) the Guarantor, as guarantor, (3) the Arranger, as arranger, and (4) DBS Bank Ltd., as dealer, as amended, varied or supplemented from time to time.
<b>“Registered Securities”</b>	:	Securities in registered form.
<b>“Securities”</b>	:	The Notes and the Perpetual Securities.
<b>“Securities Act”</b>	:	The Securities Act of 1933 of the United States, as amended or modified from time to time.
<b>“Securityholders”</b>	:	The Noteholders and the Perpetual Securityholders.

<b>“Senior Guarantee”</b>	:	The Guarantee by the Guarantor of the Notes, the Senior Perpetual Securities and the Coupons relating thereto on a senior basis.
<b>“Senior Perpetual Securities”</b>	:	Perpetual Securities which are expressed to rank as senior obligations of the Issuer.
<b>“Series”</b>	:	A Tranche, together with any further Tranche or Tranches, which are (a) expressed to be consolidated and forming a single series and (b) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of (in the case of Notes) interest or (in the case of Perpetual Securities) distribution.
<b>“SFA”</b>	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time.
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited.
<b>“SIBOR”</b>	:	Singapore Interbank Offered Rate.
<b>“Subordinated Guarantee”</b>	:	The Guarantee by the Guarantor of the Subordinated Perpetual Securities and the Coupons relating thereto on a subordinated basis.
<b>“Subordinated Perpetual Securities”</b>	:	Perpetual Securities which are expressed to rank as subordinated obligations of the Issuer.
<b>“subsidiary”</b>	:	Any company which is for the time being a subsidiary (within the meaning of Section 5 of the Companies Act).
<b>“Talons”</b>	:	Talons for further Coupons or, as the context may require, a specific number of them and includes any replacement Talons issued pursuant to the Conditions.
<b>“TARGET System”</b>	:	The Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.
<b>“Temporary Global Security”</b>	:	A Global Security representing Bearer Securities of one or more Tranches of the same Series on issue, being substantially in the form set out in Schedule 2 to the Trust Deed or, as the case may be, Schedule 6 to the Trust Deed.
<b>“Tranche”</b>	:	Securities which are identical in all respects (including as to listing).
<b>“Trust Deed”</b>	:	The Trust Deed dated 5 November 2019 made between (1) the Issuer, as issuer, (2) the Guarantor, as guarantor, and (3) the Trustee, as trustee, as amended, varied or supplemented from time to time.
<b>“Trustee”</b>	:	DB International Trust (Singapore) Limited.
<b>“UK”</b>	:	United Kingdom.
<b>“United States” or “U.S.”</b>	:	United States of America.
<b>“URA”</b>	:	Urban Redevelopment Authority.

- “S\$” or “\$” and “cents”** : Singapore dollars and cents respectively, the lawful currency of Singapore.
- “US\$” or “US dollars”** : United States dollars, the lawful currency of the United States of America.
- “%”** : per cent.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations. Any reference to a time of day in this Information Memorandum shall be a reference to Singapore time unless otherwise stated. Any reference in this Information Memorandum to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or the SFA or any statutory modification thereof and used in this Information Memorandum shall, where applicable, have the meaning ascribed to it under the Companies Act or, as the case may be, the SFA.

## SUMMARY OF THE PROGRAMME

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

Issuer	:	Allgreen Treasury Pte. Ltd.
Guarantor	:	Allgreen Properties Limited.
Arranger	:	DBS Bank Ltd.
Dealers	:	DBS Bank Ltd. and/or such other Dealers as may be appointed by the Issuer in accordance with the Programme Agreement.
Trustee	:	DB International Trust (Singapore) Limited.
Principal Paying Agent, CDP Transfer Agent and CDP Registrar	:	Deutsche Bank AG, Singapore Branch.
Non-CDP Paying Agent, Non-CDP Registrar and Non-CDP Transfer Agent	:	Deutsche Bank Aktiengesellschaft, acting through its Hong Kong branch.
Description	:	S\$2,000,000,000 Multicurrency Debt Issuance Programme.
Programme Size	:	The maximum aggregate principal amount of the Securities outstanding at any time shall be S\$2,000,000,000 (or its equivalent in other currencies) or such higher amount as may be determined in accordance with the terms of the Programme Agreement.
Purpose	:	The net proceeds arising from the issue of the Securities under the Programme (after deducting issue expenses) will be used for the Group's general corporate purpose, including refinancing of borrowings, financing of potential acquisitions and business expansions, general working capital and capital expenditure, or such other purposes as may be specified in the relevant Pricing Supplement.
Currency	:	Subject to compliance with all relevant laws, regulations and directives, Securities may be issued in Singapore dollars or any other currency agreed between the Issuer and the relevant Dealer(s).
Method of Issue	:	Securities may be issued from time to time under the Programme on a syndicated or non-syndicated basis. Each Series may be issued in one or more Tranches, on the same or different issue dates. The minimum issue size for each Series shall be agreed between the Issuer and the relevant Dealer(s). The specific terms of each Series or Tranche will be specified in the relevant Pricing Supplement.



- Issue Price : Securities may be issued at par or at a discount, or premium, to par.
- Form and Denomination of the Securities : The Securities will be issued in bearer form or registered form and in such denominations as may be agreed between the Issuer and the relevant Dealer(s).
- Each Tranche or Series of bearer Securities may initially be represented by a Temporary Global Security or a Permanent Global Security. Each Temporary Global Security may be deposited on the relevant issue date with CDP, the Common Depository and/or any other agreed clearing system and will be exchangeable, upon request as described therein, either for a Permanent Global Security or Definitive Securities (as indicated in the applicable Pricing Supplement). Each Permanent Global Security may be exchanged, unless otherwise specified in the applicable Pricing Supplement, upon request as described therein, in whole (but not in part) for Definitive Securities upon the terms therein.
- Each Tranche or Series of registered Securities will initially be represented by a Global Certificate. Each Global Certificate may be registered in the name of, or in the name of a nominee of, CDP, the Common Depository and/or any other agreed clearing system. Each Global Certificate may be exchanged, upon request as described therein, in whole (but not in part) for Certificates upon the terms therein. Save as provided in the relevant Conditions, a Certificate shall be issued in respect of each Securityholder's entire holding of registered Securities of one Series.
- Custody of the Securities : Securities which are to be listed on the SGX-ST may be cleared through CDP. Securities which are to be cleared through CDP are required to be kept with CDP as authorised depository. Securities which are to be cleared through Euroclear and/or Clearstream, Luxembourg are required to be kept with a common depository on behalf of Euroclear and/or Clearstream, Luxembourg.
- Taxation : All payments in respect of the Securities and the Coupons by the Issuer or, as the case may be, the Guarantor shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such deduction or withholding is required by law. In such event, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts as will result in the receipt by the Securityholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, save for certain exceptions. For further details, please see the section on "Taxation – Singapore Taxation" herein.

- Listing : Each Series of the Securities may, if so agreed between the Issuer and the relevant Dealer(s), be listed on the SGX-ST or any stock exchange(s) as may be agreed between the Issuer and the relevant Dealer(s), subject to all necessary approvals having been obtained. If the application to the SGX-ST to list a particular Series of Securities is approved, such Securities will be traded on the SGX-ST in a minimum board lot size of not less than S\$200,000 (or its equivalent in foreign currencies) for so long as such Securities are listed on the SGX-ST and the rules of the SGX-ST so require.
- Selling Restrictions : For a description of certain restrictions on offers, sales and deliveries of Securities and the distribution of offering material relating to the Securities, see the section on “Subscription, Purchase and Distribution” herein. Further restrictions may apply in connection with any particular Series or Tranche of Securities.
- Governing Law : The Programme and any Securities issued under the Programme will be governed by, and construed in accordance with, the laws of Singapore.

#### **NOTES**

- Maturities : Subject to compliance with all relevant laws, regulations and directives, Notes may have maturities of such tenor as may be agreed between the Issuer and the relevant Dealer(s).
- Redemption : Unless previously redeemed or purchased and cancelled, each Note will be redeemed at its redemption amount on the maturity date shown on its face.
- Interest Basis : Notes may bear interest at fixed, floating or hybrid rates or may not bear interest.
- Fixed Rate Notes : Fixed Rate Notes will bear a fixed rate of interest which will be payable in arrear on specified dates and at maturity.
- Floating Rate Notes : Floating Rate Notes which are denominated in Singapore dollars will bear interest at a rate to be determined separately for each Series by reference to S\$ SIBOR or S\$ Swap Rate (or in any other case such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin. Interest periods in relation to the Floating Rate Notes will be agreed between the Issuer and the relevant Dealer(s) prior to their issue.
- Floating Rate Notes which are denominated in other currencies will bear interest at a rate to be determined separately for each Series by reference to such other benchmark as may be agreed between the Issuer and the relevant Dealer(s).

- Hybrid Notes : Hybrid Notes will bear interest, during the fixed rate period to be agreed between the Issuer and the relevant Dealer(s), at a fixed rate of interest which will be payable in arrear on specified dates and, during the floating rate period to be agreed between the Issuer and the relevant Dealer(s), at the rate of interest to be determined by reference to S\$ SIBOR or S\$ Swap Rate (or such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin, in each case payable at the end of each interest period to be agreed between the Issuer and the relevant Dealer(s).
- Zero Coupon Notes : Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest other than in the case of late payment.
- Status of the Notes and the Guarantee : The Notes and Coupons of all Series constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.
- The payment of all sums expressed to be payable by the Issuer under the Trust Deed, the Notes and the Coupons are unconditionally and irrevocably guaranteed by the Guarantor. The obligations of the Guarantor under the Guarantee (as defined in the Trust Deed) are contained in the Trust Deed. The payment obligations of the Guarantor under the Guarantee and the Trust Deed constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and shall at all times rank *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Guarantor.
- Optional Redemption and Purchase : If so provided on the face of the Note, the Notes may be redeemed (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders of the Notes. Further, if so provided on the face of the Note and the relevant Pricing Supplement, Notes may be purchased by the Issuer (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders of the Notes.
- Redemption for Taxation Reasons : If so provided on the face of the Note, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (as defined in Condition 6(h) of the Notes) (together with interest accrued to (but excluding) the date fixed for redemption), if (i) 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 of the Notes, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations cannot be avoided by the Issuer 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.

Redemption at Option of Noteholders upon Change of Control

: If, for any reason, a Change of Control Event (as defined below) occurs, the Issuer will within 10 days of such occurrence (the “**Transfer Date**”) give notice to the Noteholders of the occurrence of such event and shall, at the option of any holder of any Note, redeem such Note at its Redemption Amount, together with interest accrued to (but excluding) the date fixed for redemption, on the date falling 45 days from the Transfer Date (or if such date is not a business day, on the next day which is a business day).

For the purposes of the above:

“**Change of Control Event**” means:

- (i) any Person or Persons (acting together with its related corporations) (other than Permitted Holders) acquires or acquire Control of the Guarantor, if such Person or Persons does not or do not have, and would not be deemed to have, Control over the Guarantor on the Issue Date; or
- (ii) the Guarantor consolidates with or merges into or sells or transfers all or substantially all of the Guarantor’s assets to any other Person or Persons (acting together with its related corporations) (other than Permitted Holders), unless the consolidation, merger, sale or transfer will not result in such other Person or Persons acquiring Control over the Guarantor or the successor entity;

“**Control**” means:

- (i) the ownership or control, whether directly or indirectly, of more than 50 per cent. of the voting rights of the issued share capital of the Guarantor; or

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

**"Immediate Family"** in relation to an individual, means the individual's spouse, child, adopted child, step-child, sibling and parent;

**"Permitted Holder"** means any Person or group of Persons (including any Person(s) who is or are the Immediate Family of such Person or group of Persons) who has or have (i) the beneficial ownership or control, whether directly or indirectly, of more than 50 per cent. of the voting rights of the issued share capital of the Guarantor or (ii) the right to appoint and/or remove all or the majority of the members of the Guarantor's board of directors, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise, in each case, on the Issue Date;

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

**"related corporation"** has the meaning ascribed to it in the Companies Act, Chapter 50 of Singapore.

Negative Pledge

- :
- (i) The Issuer and the Guarantor have covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding (as defined in the Trust Deed), the Issuer will not create or have outstanding any security over the whole or any part of its present or future assets (as defined in the Trust Deed) or revenues except for:
    - (1) liens or rights of set-off arising by operation of law (or by an agreement evidencing the same), in either case, in respect of indebtedness which either (A) has been due for less than 14 days or (B) is being contested in good faith and by appropriate means; and
    - (2) any other security created with the prior consent of the Trustee or the prior approval of the Noteholders by way of an Extraordinary Resolution.
  - (ii) The Issuer and the Guarantor have covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, the Guarantor will not, and will ensure that none of its Principal Subsidiaries (as defined in the

Conditions of the Notes) will, create or have outstanding any security over the whole or any part of its present or future assets or revenues except for:

- (1) liens or rights of set-off arising in the ordinary course of business or by operation of law (or by an agreement evidencing the same), in either case, in respect of indebtedness which either (A) has been due for less than 21 days (after the expiry of any applicable grace period) or (B) is being contested in good faith and by appropriate means;
- (2) any security created or from time to time to be created over any of its completed assets provided that the aggregate amount secured by the security over such asset shall not exceed 80 per cent. of the current market value of such completed asset at the time of the creation of the security (as shown in the most recent valuation report prepared by an independent professional valuer and delivered by the Guarantor to the Trustee);
- (3) any security created or from time to time to be created over any of its uncompleted assets (including, in the case of an acquisition of such assets, the shares in the company or entity owning (whether directly or indirectly) such assets) provided that the aggregate amount secured by the security over such uncompleted asset (at the time of the creation of the security) shall not exceed the higher of (A) 80 per cent. of the value of such uncompleted asset (as shown in the most recent valuation report prepared by an independent professional valuer and delivered by the Guarantor to the Trustee) and (B) the cost of acquiring, developing, redeveloping, renovating and/or refurbishing such uncompleted asset;
- (4) pledges of goods, the related documents of title and/or other related documents arising or created in the ordinary course of business, as security for indebtedness to a bank or financial institution directly related to the purchase of the goods or documents on or over which that pledge exists;
- (5) any security created or from time to time to be created to secure the performance by the Group of bids, tenders or maintenance of performance bonds and/or bank guarantees issued in the ordinary course of business;

- (6) any netting and set-off arrangements arising in the ordinary course of the Group's banking arrangements;
- (7) any security created or from time to time to be created by way of fixed and/or floating charge on or over any of its assets or revenues (present or future) for the purposes of securing working capital facilities granted in the ordinary course of business; and
- (8) any other security created with the prior consent of the Trustee or the prior approval of the Noteholders by way of an Extraordinary Resolution.

For the purposes of the above:

**“uncompleted asset”** means uncompleted property of any kind, including movable or immovable, personal or real, land, buildings under construction, and materials that are still under the manufacturing process.

Financial Covenants

- : The Issuer and the Guarantor have covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, the Guarantor will ensure that at all times:
  - (i) the ratio of Consolidated Total Borrowings to Consolidated Tangible Net Worth shall not be more than 2:1; and
  - (ii) the Consolidated Tangible Net Worth will not be less than S\$1,500,000,000.

Non-Disposal Covenant

- : Each of the Issuer and the Guarantor has covenanted with the Trustee in the Trust Deed that so long as any of the Notes or Coupons remain outstanding, the Issuer will ensure that it will not (whether by a single transaction or a number of related or unrelated transactions and whether at one time or over a period of time) sell, transfer, lease out, lend or otherwise dispose of (whether outright, by a sale-and-repurchase or sale-and-leaseback arrangement, or otherwise) all or substantially all of its assets nor of any part of its assets which, either alone or when aggregated with all other disposals required to be taken into account under Clause 8.4 of the Trust Deed is substantial in relation to its assets, or those of itself and its subsidiaries, taken as a whole or the disposal of which (either alone or when so aggregated) is likely to have a material adverse effect on the ability of the Issuer or the Guarantor to perform or comply with its obligations under any of the Issue Documents (as defined in the Trust Deed) or the Notes. Any disposal approved by the Noteholders by way of an Extraordinary Resolution shall not be taken into account under Clause 8.4 of the Trust Deed.



Each of the Issuer and the Guarantor has covenanted with the Trustee in the Trust Deed that so long as any of the Notes or Coupons remain outstanding, the Guarantor will ensure that it will not, and will ensure that none of the subsidiaries of the Guarantor will, (whether by a single transaction or a number of related or unrelated transactions and whether at one time or over a period of time) sell, transfer, lease out, lend or otherwise dispose of (whether outright, by a sale-and-repurchase or sale-and-leaseback arrangement, or otherwise) any part of its assets which, either alone or when aggregated with all other disposals required to be taken into account under Clause 8.5 of the Trust Deed, is likely to have a material adverse effect on the ability of the Issuer or the Guarantor to perform or comply with its obligations under any of the Issue Documents or the Notes. Any disposal approved by the Noteholders by way of an Extraordinary Resolution shall not be taken into account under Clause 8.5 of the Trust Deed.

Events of Default : See Condition 10 of the Notes.

### **PERPETUAL SECURITIES**

No Fixed Maturity : The Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall only have the right (but not the obligation) to redeem or purchase them in accordance with the provisions of the Conditions of the Perpetual Securities.

Distribution Basis : Perpetual Securities may confer a right to receive distribution at fixed or floating rates.

Fixed Rate Perpetual Securities : Fixed Rate Perpetual Securities will confer a right to receive distribution at a fixed rate which will be payable in arrear on specified dates. If so provided on the face of the Fixed Rate Perpetual Securities, the distribution rate may be reset on such dates and bases as may be set out in the applicable Pricing Supplement.

Floating Rate Perpetual Securities : Floating Rate Perpetual Securities which are denominated in Singapore dollars will confer a right to receive distribution at a rate to be determined separately for each Series by reference to S\$ SIBOR or S\$ Swap Rate (or in any other case such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin. Distribution periods in relation to the Floating Rate Perpetual Securities will be agreed between the Issuer and the relevant Dealer(s) prior to their issue.

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

Distribution Discretion

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

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

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

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

Non-Cumulative Deferral and Cumulative Deferral

: If Non-Cumulative Deferral is so provided on the face of the Perpetual Security, any distribution deferred pursuant to Condition 4(IV) of the Perpetual Securities is non-cumulative and will not accrue interest. The Issuer is not under any obligation to pay that or any other distributions that have not been paid in whole or in part. The Issuer may, at its sole discretion, and at any time, elect to pay an amount up to the amount of distribution which is unpaid (“**Optional Distribution**”) (in whole or

in part) by complying with the notice requirements in Condition 4(IV)(e) of the Perpetual Securities. There is no limit on the number of times or the extent of the amount with respect to which the Issuer can elect not to pay distributions pursuant to Condition 4(IV) of the Perpetual Securities.

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

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

- Restrictions in the case of Non-Payment :
- If Dividend Stopper is so provided on the face of the Perpetual Security and on any Distribution Payment Date, payments of all distribution scheduled to be made on such date are not made in full by reason of Condition 4(IV) of the Perpetual Securities, the Issuer and the Guarantor shall not and shall procure that none of its subsidiaries shall:
- (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, any of the Issuer’s or the Guarantor’s Junior Obligations or (except on a *pro rata* basis) any of the Issuer’s or the Guarantor’s Specified Parity Obligations; or

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

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

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

The payment obligations of the Guarantor under the Senior Guarantee and the Trust Deed relating to the Senior Perpetual Securities and the Coupons relating thereto constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and shall at all times rank *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Guarantor.

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

The payment obligations of the Guarantor under the Subordinated Guarantee and the Trust Deed relating to the Subordinated Perpetual Securities and the Coupons relating thereto constitute direct, unconditional, subordinated and unsecured obligations of the Guarantor and shall at all times rank *pari passu* with any Parity Obligations of the Guarantor.

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

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

Debt Securities) Regulations; or (2) the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as interest payable by the Issuer for the purposes of the withholding tax exemption on interest for “qualifying debt securities” under the ITA.

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

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

- (a) if the Issuer satisfies the Trustee 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 Issue Date;



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

the distributions (including any Arrears of Distribution and any Additional Distribution Amount) by the Issuer are no longer, or would in the Distribution Period immediately following that Distribution Payment Date no longer be, regarded as sums “payable by way of interest upon any money borrowed” for the purpose of Section 14(1)(a) of the ITA, provided that no such notice of redemption may be given earlier than 90 days prior to such effective date on which the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as such sums; or

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

Redemption in the case of Minimal Outstanding Amount

: If so specified on the face of the Perpetual Security, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified on the face of the relevant Perpetual Security, at any time on giving not less than 30 nor more than 60 days’ notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, immediately before giving such notice, the aggregate principal amount of the Perpetual Securities outstanding is less than 20 per cent. of the aggregate principal amount originally issued.



Redemption upon Change of Control Event

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

For the purposes of the above:

**“Change of Control Event”** means:

- (i) any Person or Persons (acting together with its related corporations) (other than Permitted Holders) acquires or acquire Control of the Guarantor, if such Person or Persons does not or do not have, and would not be deemed to have, Control over the Guarantor on the Issue Date; or
- (ii) the Guarantor consolidates with or merges into or sells or transfers all or substantially all of the Guarantor's assets to any other Person or Persons (acting together with its related corporations) (other than Permitted Holders), unless the consolidation, merger, sale or transfer will not result in such other Person or Persons acquiring Control over the Guarantor or the successor entity; or
- (iii) the Issuer ceases to be a wholly-owned subsidiary of the Guarantor.

**“Control”** means:

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

**“Immediate Family”** in relation to an individual, means the individual's spouse, child, adopted child, step-child, sibling and parent;

**“Permitted Holder”** means any Person or group of Persons (including any Person(s) who is or are the Immediate Family of such Person or group of Persons) who has or have (i) the beneficial ownership or control, whether directly or indirectly, of more than 50 per cent. of the voting rights of the issued share capital of the

Guarantor or (ii) the right to appoint and/or remove all or the majority of the members of the Guarantor's board of directors, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise, in each case, on the Issue Date.;

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

“**related corporation**” has the meaning ascribed to it in the Companies Act, Chapter 50 of Singapore.

Limited right to institute proceedings in relation to Perpetual Securities :

The right to institute proceedings for bankruptcy, winding-up, liquidation, receivership, judicial management, administration or similar proceedings (the “**Winding-Up**”) in respect of the Issuer and/or the Guarantor is limited to circumstances where payment has become due. In the case of any distribution, such distribution will not be due if the Issuer has elected not to pay that distribution in accordance with Condition 4(IV) of the Perpetual Securities.

Proceedings for Winding-Up :

If (i) a final and effective order is made or an effective resolution is passed for the Winding-Up of the Issuer and/or the Guarantor or (ii) the Issuer or the Guarantor does not pay (1) any principal payable by it under any of the Perpetual Securities at the place at and in the currency in which it is expressed to be payable when due or (2) any distribution or other amounts (other than principal) payable by it under any of the Perpetual Securities at the place at and in the currency in which it is expressed to be payable when due and, in the case of (2) only, such failure continues for a period of seven business days after the due date, 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, or as the case may be, the Guarantee and the Trustee may, subject to the provisions of Condition 9(d) of the Perpetual Securities, institute proceedings for the Winding-Up of the Issuer and/or the Guarantor, prove in the Winding-Up of the Issuer and/or the Guarantor and/or claim in the liquidation of the Issuer and/or the Guarantor for such payment.

## TERMS AND CONDITIONS OF THE NOTES

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

The Notes are constituted by a trust deed (as amended, restated or supplemented from time to time, the “**Trust Deed**”) dated 5 November 2019 made between (1) Allgreen Treasury Pte. Ltd. (the “**Issuer**”), as issuer, (2) Allgreen Properties Limited (the “**Guarantor**”), as guarantor, and (3) DB International Trust (Singapore) Limited (the “**Trustee**”, which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed), as trustee and (where applicable) the Notes are issued with the benefit of a deed of covenant dated 5 November 2019 (as amended and supplemented from time to time, the “**Deed of Covenant**”), relating to CDP Notes (as defined in the Trust Deed) executed by the Issuer. These terms and conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Coupons and Talons referred to below. The Issuer and the Guarantor have entered into an agency agreement (as amended, restated or supplemented from time to time, the “**Agency Agreement**”) dated 5 November 2019 made between (1) the Issuer, as issuer, (2) the Guarantor, as guarantor, (3) Deutsche Bank AG, Singapore Branch, as principal paying agent (in such capacity, the “**Principal Paying Agent**”) and CDP registrar and transfer agent (in such capacity, the “**CDP Registrar**”), (4) Deutsche Bank Aktiengesellschaft, acting through its branch in Hong Kong, as non-CDP paying agent (in such capacity, the “**Non-CDP Paying Agent**” and, together with the Principal Paying Agent and any other paying agents that may be appointed, the “**Paying Agents**”) and non-CDP registrar and transfer agent (in such capacity, the “**Non-CDP Registrar**” and, together with the CDP Registrar and any other transfer agents that may be appointed, the “**Transfer Agents**”), and (5) the Trustee, as trustee. The Noteholders and the holders (the “**Couponholders**”) of the coupons (the “**Coupons**”) appertaining to the interest-bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “**Talons**”) are bound by and are deemed to have notice of all of the provisions of the Trust Deed, the Agency Agreement, the relevant Calculation Agency Agreement (as defined in the Trust Deed) and the Deed of Covenant.

For the purposes of these Conditions, all references to (a) the Principal Paying Agent shall, with respect to Non-CDP Notes (as defined in the Trust Deed), be deemed to be a reference to the Non-CDP Paying Agent and all such references shall be construed accordingly and (b) the Registrar means (in the case of CDP Notes) the CDP Registrar or (in the case of Non-CDP Notes) the Non-CDP Registrar, in each case, or such other registrar as may be appointed from time to time under the Agency Agreement and all such references shall be construed accordingly.

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

## 1. Form, Denomination and Title

### (a) Form and Denomination

- (i) The Notes of the Series of which this Note forms part (in these Conditions, the “**Notes**”) are issued in bearer form (“**Bearer Notes**”) or in registered form (“**Registered Notes**”), in each case in the Denomination Amount shown on the face of the Note. Subject to applicable laws, in the case of Registered Notes, such Notes are in the Denomination Amount shown hereon, which may include a minimum denomination and higher integral multiples of a smaller amount, in each case, as specified in the applicable Pricing Supplement.
- (ii) This Note is a Fixed Rate Note, a Floating Rate Note, a Hybrid Note or a Zero Coupon Note (depending upon the Interest Basis shown on its face).
- (iii) Bearer Notes are serially numbered and issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Notes that do not bear interest in which case references to interest (other than in relation to default interest referred to in Condition 7(h)) in these Conditions are not applicable.
- (iv) Registered Notes are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

### (b) Title

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

*Security or, as the case may be, the Global Certificate and held by Euroclear, Clearstream, Luxembourg, the Depository and/or any other clearing system will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg, the Depository and/or such other clearing system.*

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

## **2. No Exchange of Notes and Transfers of Registered Notes**

### **(a) No Exchange of Notes**

Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Denomination Amount may not be exchanged for Bearer Notes of another Denomination Amount. Bearer Notes may not be exchanged for Registered Notes.

### **(b) Transfer of Registered Notes**

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

### **(c) Exercise of Options or Partial Redemption or Purchase in Respect of Registered Notes**

In the case of an exercise of the Issuer’s or Noteholders’ option in respect of, or a partial redemption or purchase of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed or purchased. In the case of a partial exercise

of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any other Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

**(d) Delivery of New Certificates**

Each new Certificate to be issued pursuant to Condition 2(b) or 2(c) shall be available for delivery within seven business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 6(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or such other Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d) only, “**business day**” means a day (other than a Saturday, Sunday or gazetted public holiday) on which banks are open for business in the place of the specified office of the Registrar or the relevant Transfer Agent (as the case may be).

**(e) Transfers Free of Charge**

Transfers of Notes and Certificates on registration, transfer, exercise of an option or partial redemption (as applicable) shall be effected without charge by or on behalf of the Issuer, the Guarantor, the Registrar or any other Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or prefunding as the Registrar or the relevant Transfer Agent may require) in respect of such tax or governmental charges.

**(f) Closed Periods**

No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (ii) after any such Note has been called for redemption or (iii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 7(b)(ii)).

**3. Status and Guarantee**

**(a) Status**

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

**(b) Guarantee**

The payment of all sums expressed to be payable by the Issuer under the Trust Deed, the Notes and the Coupons are unconditionally and irrevocably guaranteed by the Guarantor. The obligations of the Guarantor under the Guarantee (as defined in the Trust Deed) are contained in the Trust Deed. The payment obligations of the Guarantor under the Guarantee and the Trust Deed constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and shall at all times rank *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Guarantor.



#### **4. Negative Pledge, Financial Covenants and Other Covenants**

##### **(a) Negative Pledge**

- (i) The Issuer and the Guarantor have covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding (as defined in the Trust Deed), the Issuer will not create or have outstanding any security over the whole or any part of its present or future assets (as defined in the Trust Deed) or revenues except for:
  - (1) liens or rights of set-off arising by operation of law (or by an agreement evidencing the same), in either case, in respect of indebtedness which either (A) has been due for less than 14 days or (B) is being contested in good faith and by appropriate means; and
  - (2) any other security created with the prior consent of the Trustee or the prior approval of the Noteholders by way of an Extraordinary Resolution.
  
- (ii) The Issuer and the Guarantor have covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, the Guarantor will not, and will ensure that none of its Principal Subsidiaries (as defined in Condition 10) will, create or have outstanding any security over the whole or any part of its present or future assets or revenues except for:
  - (1) liens or rights of set-off arising in the ordinary course of business or by operation of law (or by an agreement evidencing the same), in either case, in respect of indebtedness which either (A) has been due for less than 21 days (after the expiry of any applicable grace period) or (B) is being contested in good faith and by appropriate means;
  - (2) any security created or from time to time to be created over any of its completed assets provided that the aggregate amount secured by the security over such completed asset shall not exceed 80 per cent. of the current market value of such completed asset at the time of the creation of the security (as shown in the most recent valuation report prepared by an independent professional valuer and delivered by the Guarantor to the Trustee);
  - (3) any security created or from time to time to be created over any of its uncompleted assets (including, in the case of an acquisition of such assets, the shares in the company or entity owning (whether directly or indirectly) such assets) provided that the aggregate amount secured by the security over such uncompleted asset (at the time of the creation of the security) shall not exceed the higher of (A) 80 per cent. of the value of such uncompleted asset (as shown in the most recent valuation report prepared by an independent professional valuer and delivered by the Guarantor to the Trustee) and (B) the cost of acquiring, developing, redeveloping, renovating and/or refurbishing such uncompleted asset;
  - (4) pledges of goods, the related documents of title and/or other related documents arising or created in the ordinary course of business, as security for indebtedness to a bank or financial institution directly related to the purchase of the goods or documents on or over which that pledge exists;
  - (5) any security created or from time to time to be created to secure the performance by the Group of bids, tenders or maintenance of performance bonds and/or bank guarantees issued in the ordinary course of business;
  - (6) any netting and set-off arrangements arising in the ordinary course of the Group's banking arrangements;



- (7) any security created or from time to time to be created by way of fixed and/or floating charge on or over any of its assets or revenues (present or future) for the purposes of securing working capital facilities granted in the ordinary course of business; and
- (8) any other security created with the prior consent of the Trustee or the prior approval of the Noteholders by way of an Extraordinary Resolution.

For the purposes of these Conditions:

**“uncompleted asset”** means uncompleted property of any kind, including movable or immovable, personal or real, land, buildings under construction, and materials that are still under the manufacturing process.

**(b) Financial Covenants**

The Issuer and the Guarantor have covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, the Guarantor will ensure that at all times:

- (i) the ratio of Consolidated Total Borrowings to Consolidated Tangible Net Worth shall not be more than 2:1; and
- (ii) the Consolidated Tangible Net Worth will not be less than S\$1,500,000,000.

For the purposes of these Conditions:

- (1) **“Consolidated Tangible Net Worth”** means the amount (expressed in Singapore dollars) for the time being, calculated on a consolidated basis, in accordance with generally accepted accounting principles in Singapore, equal to the aggregate of (without double counting):
  - (A) the amount paid up or credited as paid up on the issued share capital of the Guarantor; and
  - (B) the amounts standing to the credit of the capital and revenue reserves (including capital redemption reserve fund, asset revaluation reserve, foreign currency translation reserve and profit and loss account) of the Group on a consolidated basis;

all as shown in the then latest audited or unaudited consolidated balance sheet of the Group but after:

- (I) making such adjustments as may be appropriate in respect of any variation in the issued and paid up share capital and the capital and revenue reserves set out in paragraphs (A) and (B) above of the Group since the date of the latest audited or unaudited consolidated balance sheet of the Group;
- (II) excluding any sums set aside for future taxation; and
- (III) deducting:
  - (aa) an amount equal to any distribution by any member of the Group out of profits earned prior to the date of the latest audited or unaudited consolidated balance sheet of the Group and which have been declared, recommended or made since that date except so far as provided for in such balance sheet and/or paid or due to be paid to members of the Group;
  - (bb) all goodwill and other intangible assets; and
  - (cc) any debit balances on consolidated profit and loss account; and

- (2) **“Consolidated Total Borrowings”** means in relation to the Group, an amount (expressed in Singapore dollars) for the time being, calculated on a consolidated basis, in accordance with generally accepted accounting principles in Singapore, equal to the aggregate of (without double counting):
- (A) bank overdrafts and all other indebtedness in respect of any borrowings maturing within 12 months;
  - (B) the principal amount of the Notes or any bonds or debentures of any member of the Group whether issued for cash or a consideration other than cash;
  - (C) the liabilities of the Issuer under the Trust Deed or the Notes;
  - (D) all other indebtedness whatsoever of the Group for borrowed moneys; and
  - (E) any redeemable preference shares issued by any member of the Group and which is regarded by generally accepted accounting principles in Singapore as debt or other liability of the Group.

For the avoidance of doubt, for the purposes of these definitions, any perpetual securities issued by the Issuer, the Guarantor or any other member of the Group which are accounted for as “equity” shall be treated as such (and not as debt).

**(c) Non-disposal Covenant**

- (i) Each of the Issuer and the Guarantor has covenanted with the Trustee in the Trust Deed that so long as any of the Notes or Coupons remain outstanding, the Issuer will ensure that it will not (whether by a single transaction or a number of related or unrelated transactions and whether at one time or over a period of time) sell, transfer, lease out, lend or otherwise dispose of (whether outright, by a sale-and-repurchase or sale-and-leaseback arrangement, or otherwise) all or substantially all of its assets nor of any part of its assets which, either alone or when aggregated with all other disposals required to be taken into account under Clause 8.4 of the Trust Deed is substantial in relation to its assets, or those of itself and its subsidiaries, taken as a whole or the disposal of which (either alone or when so aggregated) is likely to have a material adverse effect on the ability of the Issuer or the Guarantor to perform or comply with its obligations under any of the Issue Documents (as defined in the Trust Deed) or the Notes. Any disposal approved by the Noteholders by way of an Extraordinary Resolution shall not be taken into account under Clause 8.4 of the Trust Deed.
- (ii) Each of the Issuer and the Guarantor has covenanted with the Trustee in the Trust Deed that so long as any of the Notes or Coupons remain outstanding, the Guarantor will ensure that it will not, and will ensure that none of the subsidiaries of the Guarantor will, (whether by a single transaction or a number of related or unrelated transactions and whether at one time or over a period of time) sell, transfer, lease out, lend or otherwise dispose of (whether outright, by a sale-and-repurchase or sale-and-leaseback arrangement, or otherwise) any part of its assets which, either alone or when aggregated with all other disposals required to be taken into account under Clause 8.5 of the Trust Deed, is likely to have a material adverse effect on the ability of the Issuer or the Guarantor to perform or comply with its obligations under any of the Issue Documents or the Notes. Any disposal approved by the Noteholders by way of an Extraordinary Resolution shall not be taken into account under Clause 8.5 of the Trust Deed.

**5. (l) Interest on Fixed Rate Notes**

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

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

In the case of a Fixed Rate Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction (as defined in Condition 5(VII)) shown on the face of the Note.

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

**(a) Interest Payment Dates**

Each Floating Rate Note bears interest on its principal amount outstanding from the Interest Commencement Date in respect thereof and as shown on the face of such Note, and such interest will be payable in arrear on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period (as defined below) on the face of the Note after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date (and which corresponds numerically with such preceding Interest Payment Date or the Interest Commencement Date, as the case may be).

**(b) Business Day Convention**

If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day (as defined below), then if the Business Day Convention specified is:

- (i) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (1) such date shall be brought forward to the immediately preceding business day and (2) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment;
- (ii) the Following Business Day Convention, such date shall be postponed to the next day that is a business day;
- (iii) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day; or
- (iv) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

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

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

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

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

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

- (A) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption “ABS SIBOR FIX - SIBOR AND SWAP OFFER RATES - RATES AT 11:00 HRS SINGAPORE TIME” and under the column headed “SGD SIBOR” (or such other replacement page thereof for the purpose of displaying SIBOR or such other Screen Page (as defined below) as may be provided hereon) and as adjusted by the Spread (if any);
- (B) if on any Interest Determination Date, no such rate appears on the Reuters Screen ABSIRFIX01 Page under the column headed “SGD SIBOR” (or such other replacement page thereof or if no rate appears on such other Screen Page as may be provided hereon) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of each of 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 interbank market for a period equivalent to the duration of such Interest Period commencing on such Interest Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Notes. The Rate of Interest for such Interest Period shall be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of such offered quotations and as adjusted by the Spread (if any), as determined by the Calculation Agent;
- (C) if on any Interest Determination Date, at least 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 (B) above on the basis of the quotations of those Reference Banks providing such quotations; and
- (D) if on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date and as adjusted by the Spread (if any);

- (2) in the case of Floating Rate Notes which are Swap Rate Notes:
- (A) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period as being the rate which appears on the Reuters Screen ABSFIX01 Page under the caption “SGD SOR rates as of 11:00 hrs London Time” and under the column headed “SGD SOR” (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period and as adjusted by the Spread (if any);
  - (B) if on any Interest Determination Date, no such rate is quoted on the Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) or the Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will determine the Rate of Interest for such Interest Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to the nearest four decimal places)) for a period equal to the duration of such Interest Period published by a recognised industry body where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as the Calculation Agent may select; and
  - (C) if on any Interest Determination Date, the Calculation Agent is otherwise unable to determine the Rate of Interest under paragraphs (b)(ii)(2)(A) and (b)(ii)(2)(B) above, the Rate of Interest 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 four decimal places) of the rates quoted by the Singapore offices of the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about 11.00 a.m. (Singapore time) on the first business day following such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate and as adjusted by the Spread (if any), or if on such day one only or none of the Singapore offices of the Reference Banks provides the 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 four decimal places) of the prime lending rates for Singapore dollars quoted by the Singapore offices of the Reference Banks at or about 11.00 a.m. (Singapore time) on such Interest Determination Date and as adjusted by the Spread (if any); and
- (3) in the case of Floating Rate Notes which are not SIBOR Notes or Swap Rate Notes or which are denominated in a currency other than Singapore dollars, the Calculation Agent will determine the Rate of Interest in respect of any Interest Period at or about the Relevant Time on the Interest Determination Date in respect of such Interest Period as follows:

- (A) if the Primary Source (as defined below) for the Floating Rate Notes is a Screen Page (as defined below), subject as provided below, the Rate of Interest in respect of such Interest Period shall be:
  - (aa) the Relevant Rate (as defined below) (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or
  - (bb) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page, in each case appearing on such Screen Page at the Relevant Time on the Interest Determination Date,

and as adjusted by the Spread (if any);

- (B) if the Primary Source for the Floating Rate Notes is Reference Banks or if paragraph (b)(ii)(3)(A)(aa) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Interest Determination Date or if paragraph (b)(ii)(3)(A)(bb) applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre (as defined below) at the Relevant Time on the Interest Determination Date and as adjusted by the Spread (if any); and
- (C) if paragraph (b)(ii)(3)(B) applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date.

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

### **(III) Interest on Hybrid Notes**

#### **(a) Rate of Interest and Accrual**

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

#### **(b) Fixed Rate Period**

- (i) In respect of the Fixed Rate Period shown on the face of such Note, each Hybrid Note bears interest on its principal amount outstanding from the first day of the Fixed Rate Period at the rate per annum (expressed as a percentage) equal to the Rate of Interest shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of the Note in each year and on the last day of the Fixed Rate Period if that date does not fall on an Interest Payment Date.



- (ii) The first payment of interest will be made on the Interest Payment Date next following the first day of the Fixed Rate Period (and if the first day of the Fixed Rate Period is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the last day of the Fixed Rate Period falls before the date on which the first payment of interest would otherwise be due. If the last day of the Fixed Rate Period is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the first day of the Fixed Rate Period, as the case may be) to the last day of the Fixed Rate Period will amount to the Final Broken Amount shown on the face of the Note.
- (iii) In the case of a Hybrid Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction shown on the face of such Hybrid Note during the Fixed Rate Period.

**(c) Floating Rate Period**

- (i) In respect of the Floating Rate Period shown on the face of such Note, each Hybrid Note bears interest on its principal amount outstanding from the first day of the Floating Rate Period, and such interest will be payable in arrear on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period on the face of the Note after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the first day of the Floating Rate Period (and which corresponds numerically with such preceding Interest Payment Date or the first day of the Floating Rate Period, as the case may be).
- (ii) The provisions of Condition 5(II)(c) shall apply to each Hybrid Note during the Floating Rate Period as though references therein to Floating Rate Notes are references to Hybrid Notes.

**(d) Business Day Convention**

If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day, then if the Business Day Convention specified is:

- (i) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (1) such date shall be brought forward to the immediately preceding business day and (2) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment;
- (ii) the Following Business Day Convention, such date shall be postponed to the next day that is a business day;
- (iii) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day; or
- (iv) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.



**(IV) Zero Coupon Notes**

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

**(V) Calculations**

**(a) Determination of Rate of Interest, Calculation of Interest Amounts etc**

The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Period, calculate the Redemption Amount or Early Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be. The amount of interest payable per Calculation Amount in respect of any Note shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount, by the Day Count Fraction shown on the Note and rounding the resultant figure to the nearest sub-unit of the Relevant Currency. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

**(b) Accrual of Interest**

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

**(c) Notification**

The Calculation Agent will cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Redemption Amount or the Early Redemption Amount to be notified to the Principal Paying Agent, the Trustee, the Issuer and the Guarantor as soon as possible after their determination but in no event later than the fourth business day thereafter. In the case of Floating Rate Notes, the Calculation Agent will also cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to Noteholders in accordance with Condition 16 as soon as possible after their determination. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period by reason of any Interest Payment Date not being a business day. If the Notes become due and payable under Condition 10, the Rate of Interest and Interest Amounts payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest and Interest Amounts need to be made unless the Trustee requires otherwise.

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

If the Calculation Agent does not at any material time determine or calculate the Rate of Interest for an Interest Period, any Interest Amount or any Redemption Amount or Early Redemption Amount, the Trustee shall do so. In doing so, the Trustee shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances, and each such determination or calculation shall be deemed to have been made by the Calculation Agent.

**(e) Calculation Agent and Reference Banks**

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

**(VI) Benchmark Discontinuation and Replacement**

**(a) Independent Adviser**

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

If the Issuer is unable to appoint an Independent Adviser after using commercially reasonable endeavours, or the Independent Adviser appointed by it fails to determine a Successor Rate or an Alternative Rate prior to the relevant Interest Determination Date or Interest Payment Date (as the case may be), the Issuer (acting in good faith and in a commercially reasonable manner) may determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5(VI)(b)) and, in either case, an Adjustment Spread if any (in accordance with Condition 5(VI)(c)) and any Benchmark Amendments (in accordance with Condition 5(VI)(d)).

**(b) Successor Rate or Alternative Rate**

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

- (i) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 5(VI)(c)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(VI)); or
- (ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 5(VI)(c)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(VI)).

**(c) Adjustment Spread**

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

**(d) Benchmark Adjustments**

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 5(VI) and the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 5(VI)(a)) (as the case may be) determines (i) that amendments to these Conditions and/or the Trust Deed and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the “**Benchmark Amendments**”) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5(VI)(e), without any requirement for the consent or approval of Noteholders, vary these Conditions and/or the Trust Deed and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee and (if the Benchmark Amendments affect the Principal Paying Agent) the Principal Paying Agent of a certificate in English signed by two directors or a director and a duly authorised officer of the Issuer pursuant to Condition 5(VI)(e), the Trustee and the Principal Paying Agent shall (at the expense of the Issuer), without any requirement for the consent or approval of the Noteholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed supplemental to or amending the Trust Deed, the Agency Agreement and these Conditions), provided that neither the Trustee nor the Principal Paying Agent shall be obliged so to concur if in its opinion doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to it in these Conditions, the Trust Deed or the Agency Agreement (including, for the avoidance of doubt, any supplemental trust deed) in any way.

For the avoidance of doubt, the Trustee and the Paying Agents shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 5(VI). Noteholder consent shall not be required in connection with effecting the Successor Rate or Alternative Rate (as applicable) or such other changes, including for the execution of any documents or other steps by the Trustee, the Calculation Agent, the Paying Agents, the Registrars or the Transfer Agents (if required).

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

**(e) Notices, etc.**

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 5(VI) will be notified promptly by the Issuer to the Trustee, the Calculation Agent, the Paying Agents and, in accordance with Condition 16, the Noteholders. Such notice shall be irrevocable and shall specify the effective date for such Successor Rate, such Alternative Rate (as the case may be), any related Adjustment Spread and the Benchmark Amendments, if any.

No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee and (if the Benchmark Amendments affect the Principal Paying Agent) the Principal Paying Agent a certificate in English addressed to the Trustee and (if the Benchmark Amendments affect the Principal Paying Agent) the Principal Paying Agent and signed by two directors or a director and a duly authorised officer of the Issuer:

- (i) confirming (1) that a Benchmark Event has occurred, (2) the Successor Rate or, as the case may be, the Alternative Rate and, (3) where applicable, any Adjustment Spread and/or the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 5(VI); and
- (ii) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread.

The Trustee and (if the Benchmark Amendments affect the Principal Paying Agent) the Principal Paying Agent shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) and without prejudice to the Trustee's and (if the Benchmark Amendments affect the Principal Paying Agent) the Principal Paying Agent's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Guarantor, the Trustee, the Calculation Agent, the Principal Paying Agent and the Noteholders.

**(f) Survival of Original Reference Rate**

Without prejudice to the obligations of the Issuer under Conditions 5(VI)(a), 5(VI)(b), 5(VI)(c) and 5(VI)(d), the Original Reference Rate and the fallback provisions provided for in Condition 5 will continue to apply unless and until the Calculation Agent has been notified of the Successor Rate or the Alternative Rate (as the case may be), and any Adjustment Spread and Benchmark Amendments, in accordance with Condition 5(VI)(e).

**(g) Definitions**

As used in this Condition 5(VI):

**“Adjustment Spread”** means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 5(VI)(a)) (as the case may be) determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (1) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate); or
- (2) the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 5(VI)(a)) (as the case may be) determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or

- (3) if no such industry standard is recognised or acknowledged, the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 5(VI)(a)) (as the case may be) determines to be appropriate;

**“Alternative Rate”** means an alternative benchmark or screen rate which the Independent Adviser or the Issuer (in the circumstances set out in Condition 5(VI)(a)) (as the case may be) determines in accordance with Condition 5(VI)(b) has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same currency as the Notes;

**“Benchmark Amendments”** has the meaning given to it in Condition 5(VI)(d);

**“Benchmark Event”** means:

- (i) the Original Reference Rate ceasing to be published for a period of at least five business days or ceasing to exist; or
- (ii) a public statement by the administrator of the Original Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (iii) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six months; or
- (v) it has become unlawful for the Principal Paying Agent, the Calculation Agent, the Issuer or any other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate;

**“Independent Adviser”** means an independent financial institution of good repute or an independent financial adviser with experience in the local or international debt capital markets appointed by and at the cost of the Issuer under Condition 5(VI)(a);

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

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

- (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (1) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (2) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (3) a group of the aforementioned central banks or other supervisory authorities or (4) the Financial Stability Board or any part thereof; and



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

## (VII) Definitions

As used in these Conditions:

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

“**business day**” means, in respect of each Note, (a) a day (other than a Saturday, Sunday or gazetted public holiday) on which Euroclear, Clearstream, Luxembourg and/or the Depository, as applicable, are operating, (b) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in the country of the relevant Paying Agent’s specified office and (c) (if a payment is to be made on that day) (i) (in the case of Notes denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore, (ii) (in the case of Notes denominated in Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which the TARGET System is open for settlement in Euros and (iii) (in the case of Notes denominated in a currency other than Singapore dollars and Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore and in the principal financial centre for that currency;

“**Calculation Agent**” means, in relation to any Series of Notes, the person appointed as the calculation agent pursuant to the terms of the Agency Agreement or, as the case may be, the Calculation Agency Agreement as specified in the applicable Pricing Supplement (or such other calculation agent as may be appointed from time to time);

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

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

- (a) if “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);
- (b) if “Actual/360” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period in respect of which payment is being made divided by 360;
- (c) if “Actual/365 (Fixed)” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period in respect of which payment is being made divided by 365; and
- (d) if “30/360” 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:

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

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

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

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

“**D<sub>1</sub>**” 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

“**D<sub>2</sub>**” 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;

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

“**Interest Amount**” means, in respect of an Interest Period, the amount of interest payable per Calculation Amount for that Interest Period;

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

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

“**Interest Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date;

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

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

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

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

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



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

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

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

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

## **6. Redemption and Purchase**

### **(a) Final Redemption**

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

### **(b) Purchase at the Option of the Issuer**

If so provided hereon, the Issuer shall have the option to purchase all or any of the Fixed Rate Notes, Floating Rate Notes or Hybrid Notes at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Noteholders shall be bound to sell such Notes to the Issuer accordingly. To exercise such option, the Issuer shall give irrevocable notice to the Noteholders within the Issuer’s Purchase Option Period shown on the face hereof. Such Notes may be held, resold or surrendered to the Principal Paying Agent or, as the case may be, the Registrar for cancellation. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

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

### **(c) Purchase at the Option of the Noteholders**

If so provided hereon, each Noteholder shall have the option to have all or any of his Fixed Rate Notes, Floating Rate Notes or Hybrid Notes purchased by the Issuer at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Issuer will purchase such Notes accordingly. To exercise such option, a Noteholder shall deposit (in the case of Bearer Notes) such Note to be purchased (together with all unmatured Coupons and unexchanged

Talons) with the Principal Paying Agent or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) to be purchased with the Registrar or any other Transfer Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Principal Paying Agent, any other Paying Agent, the Registrar or any other Transfer Agent (as applicable) within the Noteholders' Purchase Option Period shown on the face hereof. Any Notes or Certificates so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Notes may be held, resold or surrendered for cancellation, in the case of Bearer Notes, by surrendering such Note (together with all unmatured Coupons and unexchanged Talons) to the Principal Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

**(d) Redemption at the Option of the Issuer**

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

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

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

**(e) Redemption at the Option of Noteholders**

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

**(f) Redemption for Taxation Reasons**

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

Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations cannot be avoided by the Issuer 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 paragraph, the Issuer shall deliver to the Trustee a certificate signed by two directors or a director and a duly authorised officer of the Issuer or, as the case may be, 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 legal, tax or any other professional advisers of recognised standing to the effect that the Issuer or, as the case may be, the Guarantor has or is likely to become obliged to pay such additional amounts as a result of such change, amendment, interpretation or pronouncement. The Trustee and the Principal Paying Agent 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 Noteholders.

**(g) Purchases**

The Issuer, the Guarantor and/or any of their respective related corporations may at any time purchase Notes at any price (provided that they are purchased together with all unmatured Coupons and unexchanged Talons relating to such Notes) in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives. The Notes so purchased, while held by or on behalf of the Issuer, the Guarantor and/or any of their related corporations shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

Notes purchased by the Issuer, the Guarantor and/or any of their respective related corporations may be surrendered by the purchaser through the Issuer to, in the case of Bearer Notes, the Principal Paying Agent and, in the case of Registered Notes, the Registrar for cancellation or may at the option of the Issuer, the Guarantor or, as the case may be, the relevant related corporation be held or resold.

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

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

- (i) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or formula, upon redemption of such Note pursuant to Condition 6(f) or upon it becoming due and payable as provided in Condition 10, shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.
- (ii) Subject to the provisions of sub-paragraph (iii) below, the Amortised Face Amount of any such Note shall be the scheduled Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

- (iii) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(f) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Redemption Amount of such Note on the Maturity Date together with any interest which may accrue in accordance with Condition 5(IV).

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

**(i) Redemption upon a Change of Control**

If, for any reason, a Change of Control Event (as defined below) occurs, the Issuer will within 10 days of such occurrence (the “**Transfer Date**”) give notice to the Noteholders of the occurrence of such event and shall, at the option of any holder of any Note, redeem such Note at its Redemption Amount, together with interest accrued to (but excluding) the date fixed for redemption, on the date falling 45 days from the Transfer Date (or if such date is not a business day, on the next day which is a business day). To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with the Principal Paying Agent, or any other Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any other Transfer Agent at its specified office, together with a duly completed Exercise Notice in the form obtainable from the Principal Paying Agent, any other Paying Agent, the Registrar or any other Transfer Agent (as applicable), no later than 21 days from the Transfer Date. Any Note or Certificate so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

For the purposes of these Conditions:

“**Change of Control Event**” means:

- (i) any Person or Persons (acting together with its related corporations) (other than Permitted Holders) acquires or acquire Control of the Guarantor, if such Person or Persons does not or do not have, and would not be deemed to have, Control over the Guarantor on the Issue Date; or
- (ii) the Guarantor consolidates with or merges into or sells or transfers all or substantially all of the Guarantor’s assets to any other Person or Persons (acting together with its related corporations) (other than Permitted Holders), unless the consolidation, merger, sale or transfer will not result in such other Person or Persons acquiring Control over the Guarantor or the successor entity;

“**Control**” means:

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

“**Immediate Family**” in relation to an individual, means the individual’s spouse, child, adopted child, step-child, sibling and parent;

**“Permitted Holder”** means any Person or group of Persons (including any Person(s) who is or are the Immediate Family of such Person or group of Persons) who has or have (i) the beneficial ownership or control, whether directly or indirectly, of more than 50 per cent. of the voting rights of the issued share capital of the Guarantor or (ii) the right to appoint and/or remove all or the majority of the members of the Guarantor’s board of directors, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise, in each case, on the Issue Date;

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

**“related corporation”** has the meaning ascribed to it in the Companies Act, Chapter 50 of Singapore.

Prior to the publication of any notice of redemption pursuant to this Condition 6(i), the Issuer or the Guarantor shall deliver or procure that there is delivered to the Trustee a certificate signed by two directors or a director and a duly authorised officer of the Issuer or, as the case may be, the Guarantor stating that the circumstances referred to above prevail and setting out the details of such circumstances 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 Noteholders.

**(j) Cancellation**

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

**7. Payments**

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

Payments of principal and interest (which shall include the Redemption Amount and the Early Redemption Amount) in respect of Bearer Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Notes or, as the case may be, Coupons at the specified office of any Paying Agent by a cheque drawn in the currency in which payment is due on, or, at the option of the holders, by transfer to an account maintained by the holder in that currency with, a bank in the principal financial centre for that currency.

**(b) Principal and Interest in respect of Registered Notes**

(i) Payments of principal in respect of Registered Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Certificates at the specified office of the Registrar or any other Transfer Agent and in the manner provided in Condition 7(b)(ii).

(ii) Interest on Registered Notes shall be paid to the person shown on the Register as the holder thereof at the close of business on the fifteenth day before the due date for payment thereof (the **“Record Date”**). Payments of interest on each Registered Note shall be made by a cheque drawn in the currency in which payment is due and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any other Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account maintained by the holder in that currency with a bank in the principal financial centre for that currency.



**(c) Payments subject to law etc.**

All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “Code”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto, but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

**(d) Appointment of Agents**

The Principal Paying Agent, the Non-CDP Paying Agent, the CDP Registrar and the Non-CDP Registrar initially appointed by the Issuer and the Guarantor and their respective specified offices are listed below. The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of the Principal Paying Agent, the Non-CDP Paying Agent, any other Paying Agent, the Calculation Agent, the CDP Registrar and the Non-CDP Registrar and to appoint additional or other paying agents, calculation agents or transfer agents, provided that they will at all times maintain (i) a Principal Paying Agent having a specified office in Singapore and (in the case of Non-CDP Notes) a Non-CDP Paying Agent, (ii) a Registrar in relation to Registered Notes and (iii) a Calculation Agent where the Conditions so require.

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

The Agency Agreement may be amended by the Issuer, the Guarantor, the Principal Paying Agent, the Non-CDP Paying Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee, without the consent of the holder of any Note or Coupon, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the Issuer, the Guarantor, the Principal Paying Agent, the Non-CDP Paying Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee may mutually deem necessary or desirable and which does not, in the opinion of the Issuer, the Guarantor, the Principal Paying Agent, the Non-CDP Paying Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee, materially and adversely affect the interests of the holders of the Notes or the Coupons.

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

- (i) Bearer Notes which comprise Fixed Rate Notes and Hybrid Notes should be surrendered for payment together with all unexpired Coupons and unexchanged Talons (if any) relating to such Notes (and, in the case of Hybrid Notes, relating to interest payable during the Fixed Rate Period), failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of three years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).
- (ii) Subject to the provisions of the relevant Pricing Supplement, upon the due date for redemption of any Bearer Notes comprising a Floating Rate Note or Hybrid Note, unexpired Coupons relating to such Note (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period) (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

- (iv) Where any Bearer Note comprising a Floating Rate Note or Hybrid Note is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period), redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (v) If the due date for redemption or repayment of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate.

**(f) Talons**

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

**(g) Non-business days**

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

**(h) Default Interest**

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

**8. Taxation**

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

- (a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of his being connected with Singapore, otherwise than by reason only of the holding of such Note or Coupon or the receipt of any sums due in respect of such Note or Coupon (including, without limitation, the holder being a resident of, or a permanent establishment in, Singapore);



- (b) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days; or
- (c) by or on behalf of, a holder who would be able to lawfully avoid (but has not so avoided) such deduction or withholding by making a declaration or any other statement including, but not limited to, a declaration of residence or non-residence, but fails to do so.

For the avoidance of doubt, none of the Issuer, the Guarantor or any other person shall be required to pay any additional amounts or otherwise indemnify a holder for any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or any intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law, regulation or directive implementing such an intergovernmental agreement).

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

## 9. Prescription

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

## 10. Events of Default

If any of the following events (“**Events of Default**”) occurs, the Trustee at its discretion may, and if so requested by holders of at least 25 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall, in each case, subject to it being indemnified and/or secured and/or pre-funded to its satisfaction, give notice in writing to the Issuer and the Guarantor that the Notes are immediately repayable, whereupon the Redemption Amount of such Notes or (in the case of Zero Coupon Notes) the Early Redemption Amount of such Notes together with accrued interest to the date of payment shall become immediately due and payable:

- (a) the Issuer or the Guarantor does not pay (i) any principal payable by it under any of the Notes at the place at and in the currency in which it is expressed to be payable when due or (ii) any interest or other amounts (other than principal) payable by it under any of the Notes at the place at and in the currency in which it is expressed to be payable when due and, in the case of (ii) only, such default continues for a period of seven business days after the due date;
- (b) the Issuer or the Guarantor does not perform or comply with any one or more of its obligations (other than the payment obligation of the Issuer or the Guarantor referred to in paragraph (a) above) under any of the Issue Documents or any of the Notes and if that default is capable of remedy, it is not remedied within 21 business days after notice of such default shall have been given by the Trustee to the Issuer or, as the case may be, the Guarantor;

- (c) any representation, warranty or statement by the Issuer or the Guarantor in any of the Issue Documents or any of the Notes or in any document delivered under any of the Issue Documents or any of the Notes is not complied with in any respect or is or proves to have been incorrect in any respect when made or deemed repeated and if, in the opinion of the Trustee, the event resulting in that default is capable of remedy, it is not remedied within 21 business days after notice thereof shall have been given by the Trustee to the Issuer or, as the case may be, the Guarantor;
- (d) the Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect;
- (e)
  - (i) any other present or future indebtedness of the Issuer, the Guarantor or any of the Principal Subsidiaries of the Guarantor in respect of borrowed moneys is or is declared to be or is capable of being rendered due and payable prior to its stated maturity by reason of any default, event of default or the like (however described) or is not paid when due (nor within any applicable grace period in any agreement relating to that indebtedness); or
  - (ii) the Issuer, the Guarantor or any of the Principal Subsidiaries of the Guarantor fails to pay when properly called upon to do so, any amount payable by it under any present or future guarantee of indebtedness for, or indemnity in respect of, any moneys borrowed or raised,

PROVIDED ALWAYS THAT no Event of Default will occur under paragraph (e)(i) or (e)(ii) above if the aggregate amount of the indebtedness for borrowed moneys or guarantee of indebtedness for borrowed moneys falling within paragraphs (e)(i) and (e)(ii) above is less than S\$50,000,000 (or its equivalent in any other currency or currencies);

- (f) the Issuer, the Guarantor or any of the Principal Subsidiaries of the Guarantor is (or is deemed by law or a court to be) insolvent or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of its indebtedness, begins negotiations or takes any other step with a view to the deferral, rescheduling or other readjustment of all or a material part of its indebtedness (or of any material part which it will or might otherwise be unable to pay when due), applies for a moratorium in respect of or affecting all or a material part of its indebtedness, or proposes or makes a general assignment or an arrangement or composition with or for the benefit of creditors or a moratorium is agreed, effected or declared or otherwise arises by operation of law in respect of or affecting all or a material part of the indebtedness or (pursuant to an order of court that is issued in connection with a compromise or an arrangement proposed or intended to be proposed between the Issuer, the Guarantor or any of its Principal Subsidiaries and its creditors) property of the Issuer, the Guarantor or any of the Principal Subsidiaries of the Guarantor;
- (g) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or a material part of the assets of the Issuer, the Guarantor or any of the Principal Subsidiaries of the Guarantor and is not discharged or stayed within 30 business days;
- (h) any security on or over the whole or any material part of the assets of the Issuer, the Guarantor or any of the Principal Subsidiaries of the Guarantor becomes enforceable and steps are taken to enforce it;
- (i) any meeting is convened or any petition or originating summons is presented or any order is made or any resolution is passed or any other procedure or proceeding is taken (i) for the winding-up or dissolution of the Issuer, the Guarantor or any of the Principal Subsidiaries of the Guarantor (except (1) for the purpose of a reconstruction, amalgamation, scheme of arrangement, merger, consolidation, or reorganisation on terms approved by an Extraordinary Resolution of the Noteholders, (2) in the case of a Principal Subsidiary (excluding the Issuer) of the Guarantor only, where such winding-up does not involve insolvency and is not likely to have a material adverse effect on the ability of the Issuer or the Guarantor to perform or comply with its obligations under any of the Issue Documents

or the Notes or (3) in the case of the Issuer and the Guarantor, for a reconstruction, amalgamation, scheme of arrangement, merger, consolidation or reorganisation (A) which is made on solvent terms, (B) where the Issuer and the Guarantor remain surviving entities and (C) which is not likely to have a material adverse effect on the ability of the Issuer or the Guarantor to perform or comply with its obligations under any of the Issue Documents or the Notes) or (ii) for the appointment of a liquidator (including a provisional liquidator), receiver, judicial manager, trustee, administrator, agent or similar officer (in each case, including any provisional, interim or temporary officer or appointee) of the Issuer, the Guarantor or any of the Principal Subsidiaries of the Guarantor or over the whole or any material part of the assets of the Issuer, the Guarantor or any of the Principal Subsidiaries of the Guarantor;

- (j) the Issuer, the Guarantor or any of the Principal Subsidiaries of the Guarantor ceases or threatens to cease to carry on all or a substantial part of its business (except (i) for the purpose of a reconstruction, amalgamation, scheme of arrangement, merger, consolidation, or reorganisation on terms approved by an Extraordinary Resolution of the Noteholders or (ii) in the case of a Principal Subsidiary (excluding the Issuer) of the Guarantor only, for a reconstruction, amalgamation, scheme of arrangement, merger, consolidation or reorganisation (1) which is made on solvent terms, (2) where the Issuer and the Guarantor remain surviving entities and (3) which is not likely to have a material adverse effect on the ability of the Issuer or the Guarantor to perform or comply with its obligations under any of the Issue Documents or the Notes) or (except as permitted by, and in accordance with, Clause 8.4 or Clause 8.5 of the Trust Deed) disposes or threatens to dispose of the whole or a substantial part of its property or assets;
- (k) any step is taken by any governmental authority with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or any substantial part of the assets of the Issuer, the Guarantor or any of the Principal Subsidiaries of the Guarantor and such event is likely to have a material adverse effect on the ability of the Issuer or the Guarantor to perform or comply with its obligations under any of the Issue Documents or the Notes;
- (l) any action, condition or thing (including the obtaining of any necessary consent) at any time required to be taken, fulfilled or done for any of the purposes stated in Clause 16.4 of the Trust Deed is not taken, fulfilled or done, or any such consent ceases to be in full force and effect without modification or any condition in or relating to any such consent is not complied with and if that failure is capable of remedy, such failure continues unremedied for a period of 21 business days after notice of that default has been given to the Issuer or, as the case may be, the Guarantor by the Trustee requiring that failure to be remedied (unless that consent or condition is no longer required or applicable);
- (m) it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any one or more of its obligations under any of the Issue Documents or any of the Notes;
- (n) any of the Issue Documents or any of the Notes ceases for any reason (or is claimed by the Issuer or the Guarantor not) to be the legal and valid obligations of the Issuer or the Guarantor, binding upon it in accordance with its terms;
- (o) any event occurs which, under the law of any relevant jurisdiction, has an analogous or equivalent effect to any of the events mentioned in paragraph (f), (g), (h), (i) or (k);
- (p) the Issuer or the Guarantor is declared by the Minister of Finance to be a declared company under the provisions of Part IX of the Companies Act, Chapter 50 of Singapore; and
- (q) 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.

For the purposes of these Conditions:

(A) **“Principal Subsidiaries”** means any subsidiary of the Guarantor:

- (I) whose total revenue, as shown by the accounts of such subsidiary (consolidated in the case of a subsidiary which itself has subsidiaries), based upon which the latest audited consolidated accounts of the Group have been prepared, is at least 10 per cent. of the consolidated total revenue of the Group as shown by such audited consolidated accounts; or
- (II) whose total assets, as shown by the accounts of such subsidiary (consolidated in the case of a subsidiary which itself has subsidiaries), based upon which the latest audited consolidated accounts of the Group have been prepared, is at least 10 per cent. of the total assets of the Group as shown by such audited consolidated accounts,

provided that if any such subsidiary (the **“transferor”**) shall at any time transfer the whole or a substantial part of its business, undertaking or assets to another subsidiary or the Guarantor (the **“transferee”**) then:

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

Any subsidiary which becomes a Principal Subsidiary by virtue of (aa) above or which remains or becomes a Principal Subsidiary by virtue of (bb) above shall continue to be a Principal Subsidiary until the earlier of (x) the date of issue of the first audited consolidated accounts of the Group prepared as at a date later than the date of the relevant transfer which shows the total revenue or (as the case may be) total assets of the relevant subsidiary as shown by the accounts of such subsidiary (consolidated (if any) in the case of a subsidiary which itself has subsidiaries), based upon which such audited consolidated accounts have been prepared, to be less than 10 per cent. of the total revenue or (as the case may be) 10 per cent. of the total assets of the Group, as shown by such audited consolidated accounts and (y) a report by the Auditors as described below dated on or after the date of the relevant transfer which shows the total revenue or (as the case may be) total assets of such subsidiary as at such date to be less than 10 per cent. of the total revenue or (as the case may be) 10 per cent. of the total assets of the Group. A report by the Auditors (as defined in the Trust Deed), who shall also be responsible for producing any pro-forma accounts required for the above purposes, that in their opinion a subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive; and

(B) **“subsidiary”** means any company which is for the time being a subsidiary (within the meaning of Section 5 of the Companies Act, Chapter 50 of Singapore).

## 11. Enforcement of Rights

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

## 12. Meeting of Noteholders and Modifications

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

The Trustee, the Issuer or the Guarantor at any time may, and the Trustee upon the request in writing by Noteholders holding not less than 10 per cent. of the principal amount of the Notes of any Series for the time being outstanding and after being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses shall, convene a meeting of the Noteholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders of the relevant Series, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (a) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Notes, (c) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates of interest or the basis for calculating any Interest Amount in respect of the Notes, (d) to vary any method of, or basis for, calculating the Redemption Amount or the Early Redemption Amount including the method of calculating the Amortised Face Amount, (e) to vary the currency or currencies of payment or denomination of the Notes, (f) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, (g) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution or (h) to modify or cancel the Guarantee, will only be binding if passed at a meeting of the Noteholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

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

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



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

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

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

### **14. Further Issues**

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

### **15. Indemnification of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment and from taking action to convene meetings unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trust Deed also contains a provision entitling the Trustee and/or any corporation related to it to enter into business transactions with the Issuer, the Guarantor or any of their respective related corporations without accounting to the Noteholders or Couponholders for any profit resulting from such transactions. Each Noteholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer and the Guarantor, and the Trustee shall not at any time have any responsibility for the same and each Noteholder shall not rely on the Trustee in respect thereof.

### **16. Notices**

Notices to the holders of Registered Notes shall be in the English language or, if not in the English language, accompanied by a certified translation into the English language, and shall be valid if mailed to them at their respective addresses in the Register and shall be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notwithstanding the foregoing, notices to the holders of Notes will be valid if published in a daily newspaper of general circulation in Singapore (or, if the holders of any Series of Notes can be identified, notices to such holders will also be valid if they are given to each of such holders). It is expected that such publication will be made in The Business Times. Notices will, if published



more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper as provided above. Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders of Bearer Notes in accordance with this Condition 16.

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

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

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

**17. Contracts (Rights of Third Parties) Act**

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

**18. Governing Law and Jurisdiction**

**(a) Governing Law**

The Trust Deed, the Notes and the Coupons are governed by, and shall be construed in accordance with, the laws of Singapore.

**(b) Jurisdiction**

The courts of Singapore are to have non-exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Trust Deed, the Notes, the Coupons, the Talons and the Guarantee and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed, any Notes, Coupons, Talons or the Guarantee ("**Proceedings**") may be brought in such courts. Each of the Issuer and the Guarantor has in the Trust Deed irrevocably submitted to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. These submissions are made for the benefit of the Trustee, the Noteholders and the Couponholders and shall not limit the right of the Trustee to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

**(c) No Immunity**

Each of the Issuer and the Guarantor has in the Trust Deed irrevocably agreed that, should the Trustee, the Noteholders or Couponholders take any Proceedings anywhere (whether for an injunction, specific performance, damages or otherwise), no immunity (to the extent that it may at any time exist, whether on the grounds of sovereignty or otherwise) from those Proceedings, from attachment (whether in aid of execution, before judgment or otherwise) of its assets or from execution of judgment shall be claimed by it or on its behalf or with respect to its assets, any such immunity being irrevocably waived.

**Principal Paying Agent and CDP Registrar**

Deutsche Bank AG, Singapore Branch  
One Raffles Quay  
#16-00 South Tower  
Singapore 048583

**Non-CDP Paying Agent and Non-CDP Registrar**

Deutsche Bank Aktiengesellschaft, acting through its branch in Hong Kong  
Level 52, International Commerce Centre  
1 Austin Road West, Kowloon  
Hong Kong

## TERMS AND CONDITIONS OF THE PERPETUAL SECURITIES

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

The Perpetual Securities are constituted by a trust deed (as amended, restated or supplemented from time to time, the “**Trust Deed**”) dated 5 November 2019 made between (1) Allgreen Treasury Pte. Ltd. (the “**Issuer**”), as issuer, (2) Allgreen Properties Limited (the “**Guarantor**”), as guarantor, and (3) DB International Trust (Singapore) Limited (the “**Trustee**”, which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed), as trustee and (where applicable) the Perpetual Securities are issued with the benefit of a deed of covenant dated 5 November 2019 (as amended and supplemented from time to time, the “**Deed of Covenant**”) relating to CDP Perpetual Securities (as defined in the Trust Deed) executed by the Issuer. These terms and conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Perpetual Securities, Certificates, Coupons and Talons referred to below. The Issuer and the Guarantor have entered into an agency agreement (as amended, restated or supplemented from time to time, the “**Agency Agreement**”) dated 5 November 2019 made between (1) the Issuer, as issuer, (2) the Guarantor, as guarantor, (3) Deutsche Bank AG, Singapore Branch, as principal paying agent (in such capacity, the “**Principal Paying Agent**”) and CDP registrar and transfer agent (in such capacity, the “**CDP Registrar**”), (4) Deutsche Bank Aktiengesellschaft, acting through its branch in Hong Kong, as non-CDP paying agent (in such capacity, the “**Non-CDP Paying Agent**”) and, together with the Principal Paying Agent and any other paying agents that may be appointed, the “**Paying Agents**”) and non-CDP registrar and transfer agent (in such capacity, the “**Non-CDP Registrar**”) and, together with the CDP Registrar and any other transfer agents that may be appointed, the “**Transfer Agents**”), and (5) the Trustee, as trustee. The Perpetual Securityholders and the holders (the “**Couponholders**”) of the distribution coupons (the “**Coupons**”) appertaining to the Perpetual Securities in bearer form and, where applicable in the case of such Perpetual Securities, talons for further Coupons (the “**Talons**”) are bound by and are deemed to have notice of all of the provisions of the Trust Deed, the Agency Agreement, the relevant Calculation Agency Agreement (as defined in the Trust Deed) and the Deed of Covenant.

For the purposes of these Conditions, all references to (a) the Principal Paying Agent shall, with respect to Non-CDP Perpetual Securities (as defined in the Trust Deed), be deemed to be a reference to the Non-CDP Paying Agent and all such references shall be construed accordingly and (b) the Registrar means (in the case of CDP Perpetual Securities) the CDP Registrar or (in the case of Non-CDP Perpetual Securities) the Non-CDP Registrar, in each case, or such other registrar as may be appointed from time to time under the Agency Agreement and all such references shall be construed accordingly.

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

## 1. Form, Denomination and Title

### (a) Form and Denomination

- (i) The Perpetual Securities of the Series of which this Perpetual Security forms part (in these Conditions, the “**Perpetual Securities**”) are issued in bearer form (“**Bearer Perpetual Securities**”) or in registered form (“**Registered Perpetual Securities**”), in each case in the Denomination Amount shown on the face of the Perpetual Security. Subject to applicable laws, in the case of Registered Perpetual Securities, such Perpetual Securities are in the Denomination Amount shown hereon, which may include a minimum denomination and higher integral multiples of a smaller amount, in each case, as specified in the applicable Pricing Supplement.
- (ii) This Perpetual Security is a Fixed Rate Perpetual Security or a Floating Rate Perpetual Security (depending upon the Distribution Basis shown on its face).
- (iii) Bearer Perpetual Securities are serially numbered and issued with Coupons (and, where appropriate, a Talon) attached.
- (iv) Registered Perpetual Securities are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Perpetual Securities by the same holder.

### (b) Title

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

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

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

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

### **(a) No Exchange of Perpetual Securities**

Registered Perpetual Securities may not be exchanged for Bearer Perpetual Securities. Bearer Perpetual Securities of one Denomination Amount may not be exchanged for Bearer Perpetual Securities of another Denomination Amount. Bearer Perpetual Securities may not be exchanged for Registered Perpetual Securities.

### **(b) Transfer of Registered Perpetual Securities**

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



**(c) Exercise of Options or Partial Redemption or Purchase in Respect of Registered Perpetual Securities**

In the case of an exercise of the Issuer's option in respect of, or a partial redemption or purchase of, a holding of Registered Perpetual Securities represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed or purchased. In the case of a partial exercise of an option resulting in Registered Perpetual Securities of the same holding having different terms, separate Certificates shall be issued in respect of those Perpetual Securities of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any other Transfer Agent. In the case of a transfer of Registered Perpetual Securities to a person who is already a holder of Registered Perpetual Securities, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

**(d) Delivery of New Certificates**

Each new Certificate to be issued pursuant to Condition 2(b) or 2(c) shall be available for delivery within seven business days of receipt of the form of transfer and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or such other Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d) only, "**business day**" means a day (other than a Saturday, Sunday or gazetted public holiday) on which banks are open for business in the place of the specified office of the Registrar or the relevant Transfer Agent (as the case may be).

**(e) Transfers Free of Charge**

Transfers of Perpetual Securities and Certificates on registration, transfer, exercise of an option or partial redemption (as applicable) shall be effected without charge by or on behalf of the Issuer, the Guarantor, the Registrar or any other Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or prefunding as the Registrar or the relevant Transfer Agent may require) in respect of such tax or governmental charges.

**(f) Closed Periods**

No Perpetual Securityholder may require the transfer of a Registered Perpetual Security to be registered (i) during the period of 15 days prior to any date on which Perpetual Securities may be called for redemption by the Issuer at its option pursuant to Condition 5(b), (ii) after any such Perpetual Security has been called for redemption or (iii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 6(b)(ii)).

**3. Status and Guarantee**

**(a) Senior Perpetual Securities**

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

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

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



**(ii) Guarantee of Senior Perpetual Securities**

The payment of all sums expressed to be payable by the Issuer under the Trust Deed, the Senior Perpetual Securities and the Coupons relating to them are unconditionally and irrevocably guaranteed by the Guarantor. The obligations of the Guarantor under the Senior Guarantee (as defined in the Trust Deed) are contained in the Trust Deed. The payment obligations of the Guarantor under the Senior Guarantee and the Trust Deed constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and shall at all times rank *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Guarantor.

**(b) Subordinated Perpetual Securities**

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

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

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

In these Conditions, “**Parity Obligation**” means, in relation to the Issuer or the Guarantor, any instrument or security (including without limitation any preference shares) issued, entered into or guaranteed by the Issuer, or as the case may be, the Guarantor (1) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with (in the case of the Issuer) the Subordinated Perpetual Securities or (in the case of the Guarantor) the Subordinated Guarantee (as defined in the Trust Deed) and (2) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer or, as the case may be, the Guarantor and/or, in the case of an instrument or security guaranteed by the Issuer or the Guarantor, the issuer thereof.

**(ii) Ranking of claims on Winding-Up – Issuer**

Subject to the insolvency laws of Singapore and other applicable laws, in the event of the Winding-Up (as defined in Condition 9(a)) of the Issuer, the rights of the Perpetual Securityholders and Couponholders in respect of Subordinated Perpetual Securities to payment of principal of and distribution on the Subordinated Perpetual Securities and the Coupons relating to them are expressly subordinated and subject in right of payment to the prior payment in full of all claims of senior creditors of the Issuer but at least *pari passu* with all other subordinated obligations of the Issuer that are not expressed by their terms to rank junior to the Subordinated Perpetual Securities and in priority to the claims of shareholders of the Issuer and/or as otherwise specified in the applicable Pricing Supplement.

**(iii) No set-off – Issuer**

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

immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its Winding-Up, 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 all sums expressed to be payable by the Issuer under the Trust Deed, the Subordinated Perpetual Securities and the Coupons relating to them are unconditionally and irrevocably guaranteed on a subordinated basis by the Guarantor. The obligations of the Guarantor under the Subordinated Guarantee are contained in the Trust Deed. The payment obligations of the Guarantor under the Subordinated Guarantee and the Trust Deed constitute direct, unconditional, subordinated and unsecured obligations of the Guarantor and shall at all times rank *pari passu* with any Parity Obligations of the Guarantor. The rights and claims of the Perpetual Securityholders in respect of the Subordinated Guarantee are subordinated as provided in this Condition 3(b).

**(v) Ranking of claims on Winding-Up – Guarantor**

Subject to the insolvency laws of Singapore and other applicable laws, in the event of the Winding-up of the Guarantor, the rights of the Perpetual Securityholders and Couponholders in respect of Subordinated Perpetual Securities to payment 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) No set-off – Guarantor**

Subject to applicable law, no holder of Subordinated Perpetual Securities or any Coupons relating to them may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Guarantor in respect of, or arising under or in connection with the Subordinated Guarantee, and each holder of Subordinated Perpetual Securities or any Coupons relating to them shall, by virtue of his holding of any Subordinated Perpetual Securities or Coupons relating to them, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Guarantor. Notwithstanding the preceding sentence, if any of the amounts owing to any holder of Subordinated Perpetual Securities or any Coupons relating to them by the Guarantor in respect of, or arising under or in connection with the Subordinated Guarantee is discharged by set-off, such holder of Subordinated Perpetual Securities or any Coupons relating to them shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the 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. Distribution and other Calculations**

**(I) Distribution on Fixed Rate Perpetual Securities**

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

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

In the case of a Fixed Rate Perpetual Security, distribution in respect of a period of less than one year will be calculated on the Day Count Fraction (as defined in Condition 4(V)) shown on the face of the Perpetual Security.

**(a) Rate of Distribution**

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

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

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

For the purposes of these Conditions:

**“Reset Rate of Distribution”** means the Swap Offer Rate or such other Relevant Rate to be specified in the applicable Pricing Supplement with respect to the relevant Reset Date plus the Initial Spread (as specified in the applicable Pricing Supplement) plus the Step-Up Margin (if applicable, as specified in the applicable Pricing Supplement) plus the Change of Control Margin (if applicable, as specified in the applicable Pricing Supplement) as contemplated in the proviso to Condition 4(I)(b)(ii) above; and

**“Swap Offer Rate”** means:

- (aa) the rate per annum (expressed as a percentage) notified by the Calculation Agent to the Issuer equal to the swap offer rate published by the Association of Banks in Singapore (or such other equivalent body) for a period equal to the duration of the Reset Period specified in the applicable Pricing Supplement on the second business day prior to the relevant Reset Date (the **“Reset Determination Date”**);

- (bb) if on the Reset Determination Date, there is no swap offer rate published by the Association of Banks in Singapore (or such other equivalent body), the Calculation Agent will determine the swap offer rate for such Reset Period (determined by the Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates (excluding the highest and the lowest rates) which appears on Page TPIS on the monitor of the Bloomberg Agency under the caption “Tullett Prebon – Rates – Interest Rate Swaps – Asia Pac – SGD” and the column headed “Ask” (or if the Calculation Agent determines that such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Calculation Agent after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore (or such other equivalent body)) at the close of business on each of the five consecutive business days prior to and ending on the Reset Determination Date);
- (cc) if on the Reset Determination Date, rates are not available on Page TPIS on the monitor of the Bloomberg Agency under the caption “Tullett Prebon – Rates – Interest Rate Swaps – Asia Pac – SGD” and the column headed “Ask” (or if the Calculation Agent determines that such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Calculation Agent after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore (or such other equivalent body)) at the close of business on one or more of the said five consecutive business days, the swap offer rate will be the rate per annum notified by the Calculation Agent to the Issuer equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates which are available in such five-consecutive-business-day period or, if only one rate is available in such five-consecutive-business-day period, such rate; and
- (dd) if on the Reset Determination Date, no rate is available on Page TPIS on the monitor of the Bloomberg Agency under the caption “Tullett Prebon – Rates – Interest Rate Swaps – Asia Pac – SGD” and the column headed “Ask” (or if the Calculation Agent determines that such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Calculation Agent after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore (or such other equivalent body)) at the close of business in such five-consecutive-business-day period, the Calculation Agent will request the principal Singapore offices of the Reference Banks to provide the Calculation Agent with quotation(s) of their swap offer rates for a period equivalent to the duration of the Reset Period at the close of business on the Reset Determination Date. The swap offer rate for such Reset Period shall be the arithmetic mean (rounded up, if necessary, to four decimal places) of such offered quotations, as determined by the Calculation Agent or, if only one of the Reference Banks provides the Calculation Agent with such quotation, such rate quoted by that Reference Bank,

provided that, in each case, in the event the Swap Offer Rate as determined in accordance with the foregoing is less than zero, the Swap Offer Rate shall be equal to zero per cent. per annum.

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

### **(a) Distribution Payment Dates**

Each Floating Rate Perpetual Security confers a right to receive distribution on its principal amount outstanding from the Distribution Commencement Date in respect thereof and as shown on the face of such Perpetual Security, and such distribution will be payable in arrear on each Distribution Payment Date. Such Distribution Payment Date(s) is/are either shown hereon as Specified Distribution Payment Date(s) or, if no Specified Distribution Payment Date(s) is/are shown hereon, Distribution Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Distribution Period (as defined below) on the face of the Perpetual Security after the preceding Distribution Payment Date or, in the case of the first Distribution Payment Date, after the Distribution Commencement Date (and which corresponds numerically with such preceding Distribution Payment Date or the Distribution Commencement Date, as the case may be).

**(b) Business Day Convention**

If any Distribution Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day (as defined below), then if the Business Day Convention specified is:

- (i) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (1) such date shall be brought forward to the immediately preceding business day and (2) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment;
- (ii) the Following Business Day Convention, such date shall be postponed to the next day that is a business day;
- (iii) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day; or
- (iv) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

**(c) Rate of Distribution - Floating Rate Perpetual Securities**

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

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

- (ii) The Rate of Distribution payable from time to time in respect of each Floating Rate Perpetual Security will be determined by the Calculation Agent on the basis of the following provisions:
  - (1) in the case of Floating Rate Perpetual Securities which are SIBOR Perpetual Securities:
    - (A) 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 "ABS SIBOR FIX - SIBOR AND SWAP OFFER RATES - RATES AT 11:00 HRS SINGAPORE TIME" and under the column headed "SGD SIBOR" (or such other replacement page thereof for the purpose of displaying SIBOR or such other Screen Page (as defined below) as may be provided hereon) and as adjusted by the Spread (if any) and the Step-Up Spread (if any);
    - (B) if on any Distribution Determination Date, no such rate appears on the Reuters Screen ABSIRFIX01 Page under the column headed "SGD SIBOR" (or such other replacement page thereof or if no rate appears on such other Screen Page as may be provided hereon) or if the Reuters Screen ABSIRFIX01 Page



(or such other replacement page thereof or such other Screen Page as may be provided hereon) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of each of 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 interbank market for a period equivalent to the duration of such Distribution Period commencing on such Distribution Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Perpetual Securities. The Rate of Distribution for such Distribution Period shall be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of such offered quotations and as adjusted by the Spread (if any) and the Step-Up Spread (if any), as determined by the Calculation Agent;

- (C) 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 (B) above on the basis of the quotations of those Reference Banks providing such quotations; and
  - (D) if on any Distribution Determination Date, one only or none of the Reference Banks provides the Calculation Agent with such quotation, 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 four decimal places) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Distribution Determination Date and as adjusted by the Spread (if any) and the Step-Up Spread (if any); and
- (2) in the case of Floating Rate Perpetual Securities which are Swap Rate Perpetual Securities:
- (A) 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 as being the rate which appears on the Reuters Screen ABSFIX01 Page under the caption "SGD SOR rates as of 11:00hrs London Time" and under the column headed "SGD SOR" (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Distribution Determination Date and for a period equal to the duration of such Distribution Period and as adjusted by the Spread (if any) and the Step-Up Spread (if any);
  - (B) if on any Distribution Determination Date, no such rate is quoted on the Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) or the Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will determine the Rate of Distribution for such Distribution Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to the nearest four decimal places)) for a period equal to the duration of such Distribution Period published by a recognised industry body where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as the Calculation Agent may select; and
  - (C) if on any Distribution Determination Date the Calculation Agent is otherwise unable to determine the Rate of Distribution under paragraphs (b)(ii)(2)(A) and (b)(ii)(2)(B) above, the Rate of Distribution 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 four decimal places) of the rates



quoted by the Singapore offices of the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about 11.00 a.m. (Singapore time) on the first business day following such Distribution Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Distribution Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Perpetual Securities for such Distribution Period by whatever means they determine to be most appropriate and as adjusted by the Spread (if any), or if on such day one only or none of the Singapore offices of the Reference Banks provides the 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 four decimal places) of the prime lending rates for Singapore dollars quoted by the Singapore offices of the Reference Banks at or about 11.00 a.m. (Singapore time) on such Distribution Determination Date and as adjusted by the Spread (if any) and the Step-Up Spread (if any); and

- (3) in the case of Floating Rate Perpetual Securities which are not SIBOR Perpetual Securities or Swap Rate Perpetual Securities or which are denominated in a currency other than Singapore dollars, the Calculation Agent will determine the Rate of Distribution in respect of any Distribution Period at or about the Relevant Time on the Distribution Determination Date in respect of such Distribution Period as follows:
- (A) if the Primary Source (as defined below) for the Floating Rate Perpetual Securities is a Screen Page (as defined below), subject as provided below, the Rate of Distribution in respect of such Distribution Period shall be:
- (aa) the Relevant Rate (as defined below) (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or
- (bb) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page, in each case appearing on such Screen Page at the Relevant Time on the Distribution Determination Date,
- and as adjusted by the Spread (if any) and the Step-Up Spread (if any);
- (B) if the Primary Source for the Floating Rate Perpetual Securities is Reference Banks or if paragraph (b)(ii)(3)(A)(aa) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Distribution Determination Date or if paragraph (b)(ii)(3)(A)(bb) applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the Distribution Determination Date, subject as provided below, the Rate of Distribution shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre (as defined below) at the Relevant Time on the Distribution Determination Date and as adjusted by the Spread (if any) and the Step-Up Spread (if any); and
- (C) if paragraph (b)(ii)(3)(B) applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, the Rate of Distribution shall be the Rate of Distribution determined on the previous Distribution Determination Date.

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

**(III) Calculations**

**(a) Determination of Rate of Distribution, Reset Rate of Distribution, Calculation of Distribution Amounts etc**

The Calculation Agent shall, as soon as practicable on each Distribution Determination Date or Reset Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Distribution Amounts for the relevant Distribution Period, calculate the Redemption Amount, calculate the applicable Reset Distribution Rate, obtain such quotation or make such determination or calculation, as the case may be. The amount of distribution payable per Calculation Amount in respect of any Perpetual Security shall be calculated by multiplying the product of the Rate of Distribution or, as the case may be, the Reset Rate of Distribution and the Calculation Amount, by the Day Count Fraction shown on the Perpetual Security and rounding the resultant figure to the nearest sub-unit of the Relevant Currency. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

**(b) Accrual of Distribution**

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

**(c) Notification**

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

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

If the Calculation Agent does not at any material time determine or calculate the Rate of Distribution or, as the case may be, Reset Rate of Distribution for a Distribution Period or any Distribution Amount or Redemption Amount, the Trustee shall do so. In doing so, the Trustee shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Calculation Agent.

**(e) Calculation Agent and Reference Banks**

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

**(IV) Distribution Discretion**

**(a) Optional Payment**

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

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

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

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the Group (as defined in the Trust Deed), (2) as a result of the exchange or conversion of Specified Parity Obligations of the Issuer or, as the case may be, the Guarantor for Junior Obligations of the Issuer or, as the case may be, the Guarantor and/or (3) as otherwise specified in the applicable Pricing Supplement.

In these Conditions:

- (A) “**Junior Obligation**” means, in relation to the Issuer or the Guarantor, any of its ordinary shares and any class of its share capital and any other instruments or securities (including without limitation any preference shares or subordinated perpetual securities) issued, entered into or guaranteed by the Issuer or, as the case may be, the Guarantor that ranks or is expressed to rank, whether by its terms or by operation of law, junior to the Perpetual Securities, or, as the case may be, the Guarantee (as defined in the Trust Deed); and
- (B) “**Specified Parity Obligations**” means any instrument or security (including without limitation any preference shares) issued, entered into or guaranteed by the Issuer or, as the case may be, the Guarantor (aa) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the Perpetual Securities or, as the case may be, the Guarantee and (bb) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer or, as the case may be, the Guarantor and/or, in the case of an instrument or security guaranteed by the Issuer or, as the case may be, the Guarantor, the issuer thereof.

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

**(b) No Obligation to Pay**

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

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

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

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

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

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

**(d) Restrictions in the case of Non-Payment**

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

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

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the Group, or (2) as a result of the exchange or conversion of Specified Parity Obligations of the Issuer or, as the case may be, the Guarantor for the Junior Obligations of the Issuer or, as the case may be, the Guarantor and/or (3) as otherwise specified in the applicable Pricing Supplement, unless and until (A) (if Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) the Issuer has satisfied in full all outstanding Arrears of Distribution, (B) (if Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) a redemption of all the outstanding Perpetual Securities has occurred, the next scheduled distribution has been paid in full or an Optional Distribution equal to the amount of a distribution payable with respect to the most recent Distribution Payment Date that was unpaid in full or in part, has been paid in full or (C) the Issuer or, as the case may be, the Guarantor is permitted to do so by an Extraordinary Resolution (as defined in the Trust Deed) of the Perpetual Securityholders and/or as otherwise specified in the applicable Pricing Supplement.

**(e) Satisfaction of Optional Distribution or Arrears of Distribution**

The Issuer:

- (i) may, at its sole discretion, satisfy an Optional Distribution or Arrears of Distribution, as the case may be (in whole or in part) at any time by giving notice of such election to the Trustee, the Principal Paying Agent and the Perpetual Securityholders (in accordance with Condition 14) not more than 20 nor less than 10 business days (or such other notice period as may be specified on the face of the relevant Perpetual Security) prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Optional Distribution or Arrears of Distribution on the payment date specified in such notice); and



- (ii) in any event shall satisfy any outstanding Arrears of Distribution (in whole but not in part) on the earliest of:
  - (1) the date of redemption of the Perpetual Securities in accordance with the redemption events set out in Condition 5 (as applicable);
  - (2) the next Distribution Payment Date following the occurrence of a breach of Condition 4(IV)(d) following the occurrence of a Compulsory Distribution Payment Event; and
  - (3) the date such amount becomes due under Condition 9 or on a Winding-Up of the Issuer or the Guarantor.

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

**(f) No Default**

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

**(V) Benchmark Discontinuation and Replacement**

**(a) Independent Adviser**

Notwithstanding the provisions above in this Condition 4, if a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Distribution (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use commercially reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4(V)(b)) and, in either case, an Adjustment Spread if any (in accordance with Condition 4(V)(c)) and any Benchmark Amendments (in accordance with Condition 4(V)(d)). An Independent Adviser appointed pursuant to this Condition 4(V) as an expert shall act in good faith and in a commercially reasonable manner and in consultation with the Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Trustee, the Principal Paying Agent, the Perpetual Securityholders or the Couponholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 4(V).

If the Issuer is unable to appoint an Independent Adviser after using commercially reasonable endeavours, or the Independent Adviser appointed by it fails to determine a Successor Rate or an Alternative Rate prior to the relevant Distribution Determination Date or Distribution Payment Date (as the case may be), the Issuer (acting in good faith and in a commercially reasonable manner) may determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4(V)(b)) and, in either case, an Adjustment Spread if any (in accordance with Condition 4(V)(c)) and any Benchmark Amendments (in accordance with Condition 4(V)(d)).

**(b) Successor Rate or Alternative Rate**

If the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(V)(a)) (as the case may be) determines that:

- (i) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 4(V)(c)) subsequently be used in place of the Original Reference Rate to determine the Rate of Distribution (or the relevant component part thereof) for all future payments of distribution on the Perpetual Securities (subject to the operation of this Condition 4(V)); or



- (ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 4(V)(c)) subsequently be used in place of the Original Reference Rate to determine the Rate of Distribution (or the relevant component part thereof) for all future payments of distribution on the Perpetual Securities (subject to the operation of this Condition 4(V)).

**(c) Adjustment Spread**

If the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(V)(a)) (as the case may be) determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

**(d) Benchmark Amendments**

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 4(V) and the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(V)(a)) (as the case may be) determines (i) that amendments to these Conditions and/or the Trust Deed and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the “**Benchmark Amendments**”) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4(V)(e), without any requirement for the consent or approval of Perpetual Securityholders, vary these Conditions and/or the Trust Deed and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee and (if the Benchmark Amendments affect the Principal Paying Agent) the Principal Paying Agent of a certificate in English signed by two directors or a director and a duly authorised officer of the Issuer pursuant to Condition 4(V)(e), the Trustee and the Principal Paying Agent shall (at the expense of the Issuer), without any requirement for the consent or approval of the Perpetual Securityholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed supplemental to or amending the Trust Deed, the Agency Agreement and these Conditions), provided that neither the Trustee nor the Principal Paying Agent shall be obliged so to concur if in its opinion doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to it in these Conditions, the Trust Deed or the Agency Agreement (including, for the avoidance of doubt, any supplemental trust deed) in any way.

For the avoidance of doubt, the Trustee and the Paying Agents shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 4(V). Perpetual Securityholder consent shall not be required in connection with effecting the Successor Rate or Alternative Rate (as applicable) or such other changes, including for the execution of any documents or other steps by the Trustee, the Calculation Agent, the Paying Agents, the Registrars or the Transfer Agents (if required).

In connection with any such variation in accordance with Condition 4(V)(d), the Issuer shall comply with the rules of any stock exchange on which the Perpetual Securities are for the time being listed or admitted to trading.

**(e) Notices, etc.**

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4(V) will be notified promptly by the Issuer to the Trustee, the Calculation Agent, the Paying Agents and, in accordance with Condition 14, the Perpetual Securityholders. Such notice shall be irrevocable and shall specify the effective date for such Successor Rate, such Alternative Rate (as the case may be), any related Adjustment Spread and the Benchmark Amendments, if any.

No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee and (if the Benchmark Amendments affect the Principal Paying Agent) the Principal Paying Agent a certificate in English addressed to the Trustee and (if the Benchmark Amendments affect the Principal Paying Agent) the Principal Paying Agent and signed by two directors or a director and a duly authorised officer of the Issuer:

- (i) confirming (1) that a Benchmark Event has occurred, (2) the Successor Rate or, as the case may be, the Alternative Rate and, (3) where applicable, any Adjustment Spread and/or the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 4(V); and
- (ii) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread.

The Trustee and (if the Benchmark Amendments affect the Principal Paying Agent) the Principal Paying Agent shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) and without prejudice to the Trustee's and (if the Benchmark Amendments affect the Principal Paying Agent) the Principal Paying Agent's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Guarantor, the Trustee, the Calculation Agent, the Principal Paying Agent and the Perpetual Securityholders.

**(f) Survival of Original Reference Rate**

Without prejudice to the obligations of the Issuer under Conditions 4(V)(a), 4(V)(b), 4(V)(c) and 4(V)(d), the Original Reference Rate and the fallback provisions provided for in Condition 4 will continue to apply unless and until the Calculation Agent has been notified of the Successor Rate or the Alternative Rate (as the case may be), and any Adjustment Spread and Benchmark Amendments, in accordance with Condition 4(V)(e).

**(g) Definitions**

As used in this Condition 4(V):

**“Adjustment Spread”** means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(V)(a)) (as the case may be) determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Perpetual Securityholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (1) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate); or
- (2) the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(V)(a)) (as the case may be) determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (3) if no such industry standard is recognised or acknowledged, the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(V)(a)) (as the case may be) determines to be appropriate;

**“Alternative Rate”** means an alternative benchmark or screen rate which the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(V)(a)) (as the case may be) determines in accordance with Condition 4(V)(b) has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of distribution (or the relevant component part thereof) for the same distribution period and in the same currency as the Perpetual Securities;

**“Benchmark Amendments”** has the meaning given to it in Condition 4(V)(d);

**“Benchmark Event”** means:

- (i) the Original Reference Rate ceasing to be published for a period of at least five business days or ceasing to exist; or
- (ii) a public statement by the administrator of the Original Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (iii) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six months; or
- (v) it has become unlawful for the Principal Paying Agent, the Calculation Agent, the Issuer or any other party to calculate any payments due to be made to any Perpetual Securityholder using the Original Reference Rate;

**“Independent Adviser”** means an independent financial institution of good repute or an independent financial adviser with experience in the local or international debt capital markets appointed by and at the cost of the Issuer under Condition 4(V)(a);

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

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

- (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (1) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (2) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (3) a group of the aforementioned central banks or other supervisory authorities or (4) the Financial Stability Board or any part thereof; and

**“Successor Rate”** means the rate that the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(V)(a)) (as the case may be) determines is a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

## (VI) Definitions

As used in these Conditions:

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

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

- (i) (in the case of Perpetual Securities denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore;
- (ii) (in the case of Perpetual Securities denominated in Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which the TARGET System is open for settlement in Euros; and
- (iii) (in the case of Perpetual Securities denominated in a currency other than Singapore dollars and Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore and the principal financial centre for that currency;

“**Calculation Agent**” means, in relation to any Series of Perpetual Securities, the person appointed as the calculation agent pursuant to the terms of the Agency Agreement or, as the case may be, the Calculation Agency Agreement as specified in the applicable Pricing Supplement (or such other calculation agent as may be appointed from time to time);

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

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

- (a) if “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);
- (b) if “Actual/360” is specified in the applicable Pricing Supplement, the actual number of days in the Distribution Period in respect of which payment is being made divided by 360;
- (c) if “Actual/365 (Fixed)” is specified in the applicable Pricing Supplement, the actual number of days in the Distribution Period in respect of which payment is being made divided by 365; and
- (d) if “30/360” 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:

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

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

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

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

“**D<sub>1</sub>**” 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

“**D<sub>2</sub>**” 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;

“**Distribution Amount**” means, in respect of a Distribution Period, the amount of distribution payable per Calculation Amount for that Distribution Period;

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

“**Distribution Determination Date**” means, (i) in the case of Fixed Rate Perpetual Securities, each Step-Up Date, each Reset Date or (if a Change of Control Event has occurred) the Distribution Payment Date immediately following the date on which Change of Control Event occurred (or if the Change of Control Event occurs on or after the date which is two business days prior to the immediately following Distribution Payment Date, the next following Distribution Payment Date) and (ii) in the case of Floating Rate Perpetual Securities, in respect of any Distribution Period, the date falling that number of business days prior thereto as is set out in the applicable Pricing Supplement or on the face of the relevant Perpetual Security;

“**Distribution Period**” means the period beginning on (and including) the Distribution Commencement Date and ending on (but excluding) the first Distribution Payment Date and each successive period beginning on (and including) a Distribution Payment Date and ending on (but excluding) the next succeeding Distribution Payment Date;

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

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

“**Rate of Distribution**” means the rate of distribution payable from time to time in respect of this Perpetual Security and that is either specified or calculated in accordance with the provisions hereon;

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

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

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

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



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

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

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

## **5. Redemption and Purchase**

### **(a) No Fixed Redemption Date**

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

### **(b) Redemption at the Option of the Issuer**

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

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

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

### **(c) Redemption for Taxation Reasons**

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

- (i) the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that:
  - (1) the Perpetual Securities will not be regarded as “debt securities” for the purposes of Section 43N(4) of the Income Tax Act, Chapter 134 of Singapore (“ITA”) and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations; or



- (2) the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as interest payable by the Issuer for the purposes of the withholding tax exemption on interest for “qualifying debt securities” under the ITA; or
- (ii) (1) 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 7, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (2) such obligations 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 Perpetual Securities then due.

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

- (A) a certificate signed by two directors or a director and a duly authorised officer of the Issuer or, as the case may be, 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
- (B) an opinion of independent legal, tax or any other professional advisers of recognised standing to the effect that the Issuer or, as the case may be, the Guarantor has or is likely to become obliged to pay such additional amounts as a result of such change, amendment, interpretation or pronouncement,

and the Trustee shall be entitled to accept such certificate, and opinion or ruling (as the case may be) as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Perpetual Securityholders.

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

**(d) Redemption for Accounting Reasons**

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

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

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

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 and shall not be responsible for determining or verifying the circumstances set out in such certificate, in which event it shall be conclusive and binding on the Perpetual Securityholders.

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

**(e) Redemption for Tax Deductibility**

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

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

the distributions (including any Arrears of Distribution and any Additional Distribution Amount) by the Issuer are no longer, or would in the Distribution Period immediately following that Distribution Payment Date no longer be, regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA, provided that no such notice of redemption may be given earlier than 90 days prior to such effective date on which the distributions (including any Arrears of Distribution and any Additional Distribution Amount) would not be regarded as such sums; or

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

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

- (A) a certificate, signed by two directors or a director and a duly authorised officer of the Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances; and
- (B) an opinion of the Issuer's independent tax or legal adviser of recognised standing stating the circumstances referred to above prevail and the date on which the relevant change, amendment, interpretation or pronouncement has taken place or is due to take effect,

and the Trustee shall be entitled to accept such certificate, and opinion or ruling (as the case may be) as sufficient evidence of the satisfaction of the conditions precedent set out above and shall not be responsible for determining or verifying the circumstances set out in such certificate, in which event it shall be conclusive and binding on the Perpetual Securityholders.

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

**(f) Redemption in the case of Minimal Outstanding Amount**

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified on the face of the relevant Perpetual Security, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distributions (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, immediately before giving such notice, the aggregate principal amount of the Perpetual Securities outstanding is less than 20 per cent. of the aggregate principal amount originally issued.

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

**(g) Redemption upon Change of Control**

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

For the purposes of these Conditions:

**"Change of Control Event"** means:

- (i) any Person or Persons (acting together with its related corporations) (other than Permitted Holders) acquires or acquire Control of the Guarantor, if such Person or Persons does not or do not have, and would not be deemed to have, Control over the Guarantor on the Issue Date; or
- (ii) the Guarantor consolidates with or merges into or sells or transfers all or substantially all of the Guarantor's assets to any other Person or Persons (acting together with its related corporations) (other than Permitted Holders), unless the consolidation, merger, sale or transfer will not result in such other Person or Persons acquiring Control over the Guarantor or the successor entity; or
- (iii) the Issuer ceases to be a wholly-owned subsidiary of the Guarantor;

**“Control”** means:

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

**“Immediate Family”** in relation to an individual, means the individual’s spouse, child, adopted child, step-child, sibling and parent;

**“Permitted Holder”** means any Person or group of Persons (including any Person(s) who is or are the Immediate Family of such Person or group of Persons) who has or have (i) the beneficial ownership or control, whether directly or indirectly, of more than 50 per cent. of the voting rights of the issued share capital of the Guarantor or (ii) the right to appoint and/or remove all or the majority of the members of the Guarantor’s board of directors, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise, in each case, on the Issue Date;

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

**“related corporation”** has the meaning ascribed to it in the Companies Act, Chapter 50 of Singapore;

**“subsidiary”** means any company which is for the time being a subsidiary (within the meaning of Section 5 of the Companies Act, Chapter 50 of Singapore).

Prior to the publication of any notice of redemption pursuant to this Condition 5(g), the Issuer or the Guarantor shall deliver or procure that there is delivered to the Trustee a certificate signed by two directors or a director and a duly authorised officer of the Issuer or, as the case may be, the Guarantor stating that the circumstances referred to above prevail and setting out the details of such circumstances 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.

#### **(h) Purchases**

The Issuer, the Guarantor and/or any of their respective related corporations may at any time purchase Perpetual Securities at any price (provided that they are purchased together with all unmatured Coupons and unexchanged Talons relating to them) in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives. The Perpetual Securities so purchased, while held by or on behalf of the Issuer, the Guarantor and/or any of their respective related corporations shall not entitle the holder to vote at any meetings of the Perpetual Securityholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Perpetual Securityholders or for the purposes of Conditions 9 and 10.

Perpetual Securities purchased by the Issuer, the Guarantor and/or any of their respective related corporations may be surrendered by the purchaser through the Issuer to, in the case of Bearer Perpetual Securities, the Principal Paying Agent and, in the case of Registered Perpetual Securities, the Registrar for cancellation or may at the option of the Issuer, the Guarantor or, as the case may be, the relevant related corporation be held or resold.

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

**(i) Cancellation**

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

**6. Payments**

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

Payments of principal and distribution in respect of Bearer Perpetual Securities will, subject as mentioned below, be made against presentation and surrender of the relevant Perpetual Securities or, as the case may be, Coupons at the specified office of any Paying Agent by a cheque drawn in the currency in which payment is due on, or, at the option of the holders, by transfer to an account maintained by the holder in that currency with a bank in the principal financial centre for that currency.

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

(i) Payments of principal in respect of Registered Perpetual Securities will, subject as mentioned below, be made against presentation and surrender of the relevant Certificates at the specified office of the Registrar or any other Transfer Agent and in the manner provided in Condition 6(b)(ii).

(ii) Payments of distribution on Registered Perpetual Securities shall be made to the person shown on the Register as the holder thereof at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**"). Payments of distribution on each Registered Perpetual Security shall be made by a cheque drawn in the currency in which payment is due and mailed to the holder (or to the first named of joint holders) of such Perpetual Security at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any other Transfer Agent before the Record Date, such payment of distribution may be made by transfer to an account maintained by the holder in that currency with a bank in the principal financial centre for that currency.

**(c) Payments subject to law etc.**

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

**(d) Appointment of Agents**

The Principal Paying Agent, the Non-CDP Paying Agent, the CDP Registrar and the Non-CDP Registrar initially appointed by the Issuer and the Guarantor and their respective specified offices are listed below. The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of the Principal Paying Agent, the Non-CDP Paying Agent, any other Paying Agent, the Calculation Agent, the CDP Registrar and the Non-CDP Registrar and to appoint additional or other paying agents, calculation agents or transfer agents, provided that they will at all times maintain (i) a Principal Paying Agent having a specified office in Singapore and (in the case of Non-CDP Perpetual Securities) a Non-CDP Paying Agent, (ii) a Registrar in relation to Registered Perpetual Securities and (iii) a Calculation Agent where the Conditions so require.



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

The Agency Agreement may be amended by the Issuer, the Guarantor, the Principal Paying Agent, the Non-CDP Paying Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee, without the consent of the holder of any Perpetual Security or Coupon, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the Issuer, the Guarantor, the Principal Paying Agent, the Non-CDP Paying Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee may mutually deem necessary or desirable and which does not, in the opinion of the Issuer, the Guarantor, the Principal Paying Agent, the Non-CDP Paying Agent, the CDP Registrar, the Non-CDP Registrar and the Trustee materially and adversely affect the interests of the holders of the Perpetual Securities or the Coupons. Any such amendment shall be binding on the holder of any Perpetual Security or Coupon.

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

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

**(f) Talons**

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

**(g) Non-business days**

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



## 7. Taxation

All payments in respect of the Perpetual Securities and the Coupons by the Issuer or, as the case may be, the Guarantor shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts as will result in the receipt by the Perpetual Securityholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no such additional amounts shall be payable in respect of any Perpetual Security or Coupon presented (or in respect of which the Certificate representing it is presented) for payment:

- (a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of his being connected with Singapore, otherwise than by reason only of the holding of such Perpetual Security or Coupon or the receipt of any sums due in respect of such Perpetual Security or Coupon (including, without limitation, the holder being a resident of, or a permanent establishment in, Singapore);
- (b) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days; or
- (c) by or on behalf of, a holder who would be able to lawfully avoid (but has not so avoided) such deduction or withholding by making a declaration or any other statement including, but not limited to, a declaration of residence or non-residence, but fails to do so.

For the avoidance of doubt, none of the Issuer, the Guarantor or any other person shall be required to pay any additional amounts or otherwise indemnify a holder for any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or any intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law, regulation or directive implementing such an intergovernmental agreement).

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

## 8. Prescription

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

## **9. Non-payment**

### **(a) Non-payment when Due**

Notwithstanding any of the provisions below in this Condition 9, the right to institute proceedings for the bankruptcy, winding-up, liquidation, receivership, judicial management, administration or similar proceedings (the **“Winding-Up”**) in respect of the Issuer and/or the Guarantor is limited to circumstances where payment has become due. In the case of any distribution, such distribution will not be due if the Issuer has elected not to pay that distribution in accordance with Condition 4(IV). In addition, nothing in this Condition 9, including any restriction on commencing proceedings, shall in any way restrict or limit the rights of the Trustee or any of its directors, officers, employees or agents to claim from or to otherwise take any action against the Issuer 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 Guarantee or the Trust Deed.

### **(b) Proceedings for Winding-Up**

If (i) a final and effective order is made or an effective resolution is passed for the Winding-Up of the Issuer and/or the Guarantor or (ii) the Issuer does not pay (1) any amount payable by it under any of the Perpetual Securities at the place at and in the currency in which it is expressed to be payable when due or (2) any distribution or other amounts (other than principal) payable by it under any of the Perpetual Securities at the place at and in the currency in which it is expressed to be payable when due and, in the case of (2) only, such failure continues for a period of seven business days after the due date (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 or, as the case may be, the Guarantee and the Trustee may, subject to the provisions of Condition 9(d), institute proceedings for the Winding-Up of the Issuer and/or the Guarantor, prove in the Winding-Up of the Issuer and/or 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) but subject to the provisions of Condition 9(d), the Trustee may, 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 or the Guarantor under the Perpetual Securities, the Guarantee or the Trust Deed, as the case may be, (other than any payment obligation of the Issuer or the Guarantor under or arising from the Perpetual Securities or the Guarantee, including, without limitation, payment of any principal or premium or satisfaction of any distributions (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**

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

### **(e) Right of Perpetual Securityholders or Couponholder**

No Perpetual Securityholder or Couponholder shall be entitled to proceed directly against the Issuer or the Guarantor or to institute proceedings for the Winding-Up or claim in the liquidation of the Issuer 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 Perpetual Securityholder or 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.

**(f) Extent of Perpetual Securityholders' Remedy**

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

**(g) Damages subject to Subordination**

If any court awards money, damages or other restitution for any default with respect to the performance by the Issuer or, as the case may be, the Guarantor of its obligation contained in the Trust Deed and the Perpetual Securities, the payment of such money, damages or other restitution shall be subject to the subordination provisions set out in these Conditions and in Clause 8.3 of the Trust Deed.

**10. Meeting of Perpetual Securityholders and Modifications**

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

The Trustee, the Issuer or the Guarantor at any time may, and the Trustee upon the request in writing by Perpetual Securityholders holding not less than 10 per cent. of the principal amount of the Perpetual Securities of any Series for the time being outstanding and after being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses shall, convene a meeting of the Perpetual Securityholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Perpetual Securityholders of the relevant Series, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (a) to amend the dates of redemption of the Perpetual Securities or any date for payment of distribution or Distribution Amounts on the Perpetual Securities, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Perpetual Securities, (c) to reduce the rate or rates of distribution in respect of the Perpetual Securities or to vary the method or basis of calculating the rate or rates of distribution or the basis for calculating any Distribution Amount in respect of the Perpetual Securities, (d) to vary any method of, or basis for, calculating the Redemption Amount, (e) to vary the currency or currencies of payment or denomination of the Perpetual Securities, (f) to amend the subordination provisions of the Perpetual Securities, (g) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, (h) to modify the provisions concerning the quorum required at any meeting of Perpetual Securityholders or the majority required to pass the Extraordinary Resolution or (i) to modify or cancel the Guarantee, will only be binding if passed at a meeting of the Perpetual Securityholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

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

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

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

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

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

#### **12. Further Issues**

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

#### **13. Indemnification of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment and from taking action to convene meetings unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trust Deed also contains a provision entitling the Trustee and/or any corporation related to it to enter into business transactions with the Issuer, the Guarantor or any of their respective related corporations without accounting to the Perpetual Securityholders or Couponholders for any profit resulting from such transactions. Each Perpetual Securityholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer and the Guarantor, and the Trustee shall not at any time have any responsibility for the same and each Perpetual Securityholder shall not rely on the Trustee in respect thereof.

#### **14. Notices**

Notices to the holders of Registered Perpetual Securities shall be in the English language or, if not in the English language, accompanied by a certified translation into the English language, and shall be valid if mailed to them at their respective addresses in the Register and shall be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notwithstanding the foregoing, notices to the holders of Perpetual Securities will be valid if published in a daily newspaper of general circulation in Singapore (or, if the holders of any Series of Perpetual Securities can be identified, notices to such holders will also be valid if they are given to each of such holders). It is expected that such publication will be made in The Business Times. Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper as provided above. Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders of Bearer Perpetual Securities in accordance with this Condition 14.

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

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

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

#### **15. Contracts (Rights of Third Parties) Act**

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

#### **16. Governing Law and Jurisdiction**

##### **(a) Governing Law**

The Trust Deed, the Perpetual Securities and the Coupons are governed by, and shall be construed in accordance with, the laws of Singapore.

**(b) Jurisdiction**

The courts of Singapore are to have non-exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Trust Deed, the Perpetual Securities, the Coupons, the Talons and the Guarantee and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed, any Perpetual Securities, Coupons, Talons or the Guarantee (“**Proceedings**”) may be brought in such courts. Each of the Issuer and the Guarantor has in the Trust Deed irrevocably submitted to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. These submissions are made for the benefit of the Trustee, the Perpetual Securityholders and the Couponholders and shall not limit the right of the Trustee to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

**(c) No Immunity**

Each of the Issuer and the Guarantor has in the Trust Deed irrevocably agreed that, should the Trustee, the Perpetual Securityholders or Couponholders take any Proceedings anywhere (whether for an injunction, specific performance, damages or otherwise), no immunity (to the extent that it may at any time exist, whether on the grounds of sovereignty or otherwise) from those Proceedings, from attachment (whether in aid of execution, before judgment or otherwise) of its assets or from execution of judgment shall be claimed by it or on its behalf or with respect to its assets, any such immunity being irrevocably waived.

**Principal Paying Agent and CDP Registrar**

Deutsche Bank AG, Singapore Branch  
One Raffles Quay  
#16-00 South Tower  
Singapore 048583

**Non-CDP Paying Agent and Non-CDP Registrar**

Deutsche Bank Aktiengesellschaft, acting through its branch in Hong Kong  
Level 52, International Commerce Centre  
1 Austin Road West, Kowloon  
Hong Kong



## FORM OF PRICING SUPPLEMENT FOR NOTES

Pricing Supplement

[LOGO, if document is printed]

ALLGREEN TREASURY PTE. LTD.

(Incorporated with limited liability in Singapore)

S\$2,000,000,000

Multicurrency Debt Issuance Programme

unconditionally and irrevocably guaranteed by Allgreen Properties Limited

SERIES NO: [●]

TRANCHE NO: [●]

[Brief Description and Amount of Notes]

Issue Price: [●] per cent.

[Publicity Name(s) of Dealer(s)]

Principal Paying Agent and CDP Registrar

Deutsche Bank AG, Singapore Branch

One Raffles Quay

#16-00 South Tower

Singapore 048583

Non-CDP Paying Agent

Deutsche Bank AG, Hong Kong Branch

Level 52, International Commerce Centre,

1 Austin Road West,

Kowloon, Hong Kong

Non-CDP Registrar

Deutsche Bank Aktiengesellschaft, a joint stock corporation with limited liability incorporated in the Federal Republic of Germany, acting through its branch in Hong Kong

Level 52, International Commerce Centre,

1 Austin Road West,

Kowloon, Hong Kong

The date of this Pricing Supplement is [●].

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 dated 5 November 2019 (the “**Information Memorandum**”) issued in relation to the S\$2,000,000,000 Multicurrency Debt Issuance Programme of Allgreen Treasury Pte. Ltd. (the “**Issuer**”) and unconditionally and irrevocably guaranteed by Allgreen Properties Limited. 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. Each of the Issuer and Allgreen Properties Limited (in its capacity as guarantor) accepts responsibility for the information contained in this Pricing Supplement which, when read together with the Information Memorandum, contains all information that is material in the context of the issue and offering of the Notes.

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 of the Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act, Chapter 134 of Singapore (the “**Income Tax Act**”) shall not apply if such person acquires such Notes using the funds and profits of such person’s operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the Income Tax Act.

[[Except as disclosed in this Pricing Supplement, there/There] has been no material adverse change, or any development which is likely to lead to a material adverse change, in the financial condition or assets of the Issuer, the Guarantor or the Group, taken as a whole since [date of last published audited or, as the case may be unaudited consolidated accounts.]]\*

**[Notification under Section 309B of the Securities and Futures Act, Chapter 289 of Singapore:** The Notes are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]

**[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET** – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, “**MiFID II**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

**[PRIIPs REGULATION - PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, 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 or superseded, the “**Prospectus Directive**”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

**Allgreen Treasury Pte. Ltd.**

Signed: \_\_\_\_\_  
Director/Authorised Signatory

**Allgreen Properties Limited**

Signed: \_\_\_\_\_  
Director/Authorised Signatory

Signed: \_\_\_\_\_  
Director/Authorised Signatory

\* **N.B.** If any such change is disclosed in the Pricing Supplement, it will require approval by any stock exchange(s) on which the Programme is listed. Consideration should be given as to whether or not such disclosure should be made by means of a supplemental Information Memorandum rather than in a Pricing Supplement.

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

*[Include whichever of the following apply]*

1. Series No.:
2. Tranche No.:
3. Currency:
4. Principal Amount of Series:
5. Principal Amount of Tranche:
6. Denomination Amount:
7. Calculation Amount (if different from Denomination Amount):
8. Issue Date:
9. Redemption Amount (including early redemption):  [Denomination Amount/  
[others]]  
  
 [Specify early redemption amount if different from final redemption amount or if different from that set out in the terms and conditions of the Notes]
10. Interest Basis:  [Fixed Rate/Floating Rate/ Hybrid/Zero Coupon]
11. Interest Commencement Date:
12. Fixed Rate Note
  - (a) Maturity Date:  /  [Interest Payment Date falling on or nearest to  [specify month]]
  - (b) Day Count Fraction:
  - (c) Interest Payment Date(s):
  - (d) Initial Broken Amount:
  - (e) Final Broken Amount:
  - (f) Rate of Interest:  per cent. per annum
13. Floating Rate Note
  - (a) Redemption Month:  [month and year]
  - (b) Interest Determination Date:  business days prior to the first day of each Interest Period
  - (c) Day Count Fraction:
  - (d) Specified Number of Months (Interest Period):

- (e) Specified Interest Payment Dates: [●]
- (f) Business Day Convention: [Floating Rate Business Day Convention/  
Following Business Day Convention/Modified  
Following Business Day Convention/Preceding  
Business Day Convention/other (give details)]
- (g) Benchmark: [SIBOR, Swap Rate or other benchmark]
- (h) Primary Source: [Specify relevant screen page or “Reference  
Banks”]
- (i) Reference Banks: [Specify three]
- (j) Relevant Time: [●]
- (k) Relevant Financial Centre: [The financial centre most closely connected to  
the Benchmark – specify if not Singapore]
- (l) Spread: [ +/- ] [●] per cent. per annum
- (m) Fall back 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: [●]

#### 14. Hybrid Note

- (a) Fixed Rate Period: [●]
- (b) Floating Rate Period: [●]
- (c) Maturity Date: [●]
- (d) Redemption Month: [month and year]
- (e) Interest Determination Date: [●] business days prior to the first day of each  
Interest Period
- (f) Day Count Fraction: [●]
- (g) Interest Payment Date(s): [●]  
(for Fixed Rate Period)
- (h) Initial Broken Amount: [●]
- (i) Final Broken Amount: [●]
- (j) Rate of Interest: [●] per cent. per annum
- (k) Specified Number of Months  
(Interest Period): [●]
- (l) Specified Interest Payment Dates:  
(for Floating Rate Period) [●]

- (m) Business Day Convention: [Floating Rate Business Day Convention/  
Following Business Day Convention/Modified  
Following Business Day Convention/Preceding  
Business Day Convention/other (give details)]
- (n) Benchmark: [SIBOR, SWAP RATE or other benchmark]
- (o) Primary Source: [specify relevant screen page or “Reference  
Banks”]
- (p) Relevant Time: [●]
- (q) Relevant Financial Centre: [The financial centre most closely connected to  
the Benchmark – specify if not Singapore]
- (r) Reference Banks: [specify three]
- (s) Spread: [ +/- ] [●] per cent. per annum
- (t) Fall back provisions, rounding provisions  
and any other terms relating to the  
method of calculating interest on  
Hybrid Notes during the Floating Rate  
Period, if different from those  
set out in the Conditions: [●]
15. Zero Coupon Note
- (a) Maturity Date: [●]
- (b) Amortisation Yield: [●] per cent. per annum
- (c) Any other formula/basis of  
determining amount payable: [●]
- (d) Day Count Fraction: [●]
- (e) Any amount payable under Condition 7(h)  
(Default interest on the Notes): [●]
16. Issuer’s Redemption Option [Yes/No]  
Issuer’s Redemption Option Period [Specify maximum and minimum number of  
(Condition 6(d)): days for notice period]<sup>1</sup>  
[Specify Dates]
17. Noteholders’ Redemption Option [Yes/No]  
Noteholders’ Redemption Option Period [Specify maximum and minimum number of  
(Condition 6(e)): days for notice period]<sup>2</sup>  
[Specify Dates]
18. Issuer’s Purchase Option [Yes/No]  
Issuer’s Purchase Option Period [Specify maximum and minimum number of  
(Condition 6(b)): days for notice period]  
[Specify Dates]

<sup>1</sup> To specify a minimum of five business days in the case of Notes cleared through Clearstream, Luxembourg and/or Euroclear.

<sup>2</sup> To specify a minimum of fifteen business days in the case of Notes cleared through Clearstream, Luxembourg and/or Euroclear.



19. Noteholders' Purchase Option  
Noteholders' Purchase Option Period  
(Condition 6(c)): [Yes/No]  
[Specify maximum and minimum number of  
days for notice period]  
[Specify Dates]
20. Redemption for Taxation Reasons:  
(Condition 6(f)) [Yes/No]  
[on [insert other dates of redemption not on  
interest payment dates]]
21. Redemption upon Change of Control  
(Condition 6(i)) Yes
22. Form of Notes: [Bearer/Registered]  
[Temporary Global Security exchangeable for  
Definitive Securities/Temporary Global Security  
exchangeable for Permanent Global Security/  
Permanent Global Security/Global Certificate]
23. Talons for future Coupons to be attached to  
Definitive Notes (and dates on which such  
Talons mature): [Yes/No. If yes, give details.]
24. Applicable TEFRA exemption: [C Rules/D Rules/Not Applicable]
25. Prohibition of sales to EEA investors: [Applicable/Not Applicable] (If the Notes clearly  
do not constitute "packaged" products, "Not  
Applicable" should be specified. If the Notes  
may constitute "packaged" products and no  
KID will be prepared, "Applicable" should be  
specified.)
26. Listing: [●]
27. ISIN Code: [●]
28. Common Code: [●]
29. Clearing System(s): [Not Applicable/Euroclear/ Clearstream,  
Luxembourg/  
The Central Depository (Pte) Limited]  
[other clearing information]
30. Depository: [Common depository for Euroclear/Clearstream,  
Luxembourg/The Central  
Depository (Pte) Limited/others]
31. Delivery: Delivery  
[against/free of] payment
32. Method of issue of Notes: [Individual Dealer/Syndicated Issue]
33. The following Dealer(s) [is/are]  
subscribing the Notes: [insert legal name(s) of Dealer(s)]
34. Stabilising Manager: [Insert legal name(s) of Stabilising Managers(s)]
35. Paying Agent: [Principal Paying Agent/Non-CDP Paying  
Agent]

36. Calculation Agent: [●]
37. Date of Calculation Agency Agreement [●]
38. The aggregate principal amount of Notes issued has been translated in Singapore dollars at the rate of [●] producing a sum of (for Notes not denominated in Singapore dollars): S\$[●]
39. Use of proceeds: [●]
40. Private Bank Selling Commission: [Applicable/Not Applicable] [If applicable, state percentage]
41. Other terms:

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

Any additions or variations to the selling restrictions:

# FORM OF PRICING SUPPLEMENT FOR PERPETUAL SECURITIES

Pricing Supplement

[LOGO, if document is printed]

ALLGREEN TREASURY PTE. LTD.

(Incorporated with limited liability in Singapore)

S\$2,000,000,000

Multicurrency Debt Issuance Programme

unconditionally and irrevocably guaranteed by Allgreen Properties Limited

SERIES NO: [●]

TRANCHE NO: [●]

[Brief Description and Amount of Perpetual Securities]

Issue Price: [●] per cent.

[Publicity Name(s) of Dealer(s)]

Principal Paying Agent and CDP Registrar

Deutsche Bank AG, Singapore Branch

One Raffles Quay

#16-00 South Tower

Singapore 048583

Non-CDP Paying Agent

Deutsche Bank AG, Hong Kong Branch

Level 52, International Commerce Centre,

1 Austin Road West,

Kowloon, Hong Kong

Non-CDP Registrar

Deutsche Bank Aktiengesellschaft, a joint stock corporation with limited liability incorporated in the Federal Republic of Germany, acting through its branch in Hong Kong

Level 52, International Commerce Centre,

1 Austin Road West,

Kowloon, Hong Kong

The date of this Pricing Supplement is [●].

This Pricing Supplement relates to the Tranche of Perpetual Securities referred to above.

This Pricing Supplement, under which the Perpetual Securities described herein (the “**Perpetual Securities**”) are issued, is supplemental to, and should be read in conjunction with, the Information Memorandum dated 5 November 2019 (the “**Information Memorandum**”) issued in relation to the S\$2,000,000,000 Multicurrency Debt Issuance Programme of Allgreen Treasury Pte. Ltd. (the “**Issuer**”) and unconditionally and irrevocably guaranteed by Allgreen Properties Limited. Terms defined in the Information Memorandum have the same meaning in this Pricing Supplement. The Perpetual Securities will be issued on the terms of this Pricing Supplement read together with the Information Memorandum. Each of the Issuer and Allgreen Properties Limited (in its capacity as guarantor) accepts responsibility for the information contained in this Pricing Supplement which, when read together with the Information Memorandum, contains all information that is material in the context of the issue and offering of the Perpetual Securities.

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 Perpetual Securities or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

[An advance tax ruling will be requested from the Inland Revenue Authority of Singapore (“**IRAS**”) to confirm, amongst other things, whether the IRAS would regard the Perpetual Securities as “debt securities” for the purposes of the Income Tax Act, Chapter 134 of Singapore (“**Income Tax Act**”) and the distributions (including Arrears of Distribution and any Additional Distribution Amounts) made under the Perpetual Securities as interest payable on indebtedness such that holders of the Perpetual Securities may enjoy the tax concessions and exemptions available for qualifying debt securities under the qualifying debt securities scheme, as set out in the section “Singapore Taxation” of the Information Memorandum provided that the relevant conditions are met.

There is no guarantee that a favourable ruling will be obtained from the IRAS. In addition, no assurance is given that the Issuer can provide all information or documents requested by IRAS for the purpose of the ruling request, and a ruling may not therefore be issued.

If the Perpetual Securities are not regarded as debt securities for the purposes of the Income Tax Act and/or holders thereof are not eligible for the tax concessions under the qualifying debt securities scheme, the tax treatment to holders may differ.

No assurance, warranty or guarantee is given on the tax treatment to holders of the Perpetual Securities in respect of the distributions payable to them (including Arrears of Distribution and Additional Distribution Amounts). Investors should therefore consult their own accounting and tax advisers regarding the Singapore income tax consequence of their acquisition, holding and disposal of the Perpetual Securities.]\*

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

[[Except as disclosed in this Pricing Supplement, there/There] has been no material adverse change, or any development which is likely to lead to a material adverse change, in the financial condition or assets of the Issuer, the Guarantor or the Group, taken as a whole since [date of last published audited or, as the case may be, unaudited consolidated accounts.]]\*\*

[**Notification under Section 309B of the Securities and Futures Act, Chapter 289 of Singapore:** The Perpetual Securities are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]

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

[**PRIIPs REGULATION - PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Perpetual Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, 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 or superseded, the “**Prospectus Directive**”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, 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.]

**Allgreen Treasury Pte. Ltd.**

Signed: \_\_\_\_\_  
Director/Authorised Signatory

**Allgreen Properties Limited**

Signed: \_\_\_\_\_  
Director/Authorised Signatory

Signed: \_\_\_\_\_  
Director/Authorised Signatory

\* To be inserted where an advance ruling will be/is required from IRAS.

\*\* **N.B.** If any such change is disclosed in the Pricing Supplement, it will require approval by any stock exchange(s) on which the Programme is listed. Consideration should be given as to whether or not such disclosure should be made by means of a supplemental Information Memorandum rather than in a Pricing Supplement.

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

*[Include whichever of the following apply]*

1. Series No.: [●]
2. Tranche No.: [●]
3. Currency: [●]
4. Principal Amount of Series: [●]
5. Principal Amount of Tranche: [●]
6. Denomination Amount: [●]
7. Calculation Amount (if different from Denomination Amount): [●]
8. Issue Date: [●]
9. Redemption Amount (including early redemption): [Denomination Amount/ others]  
[Specify early redemption amount if different from final redemption amount or if different from that set out in the terms and conditions of the Perpetual Securities]
10. Status of the Perpetual Securities [Senior Perpetual Securities/Subordinated Perpetual Securities]
11. Distribution Basis: [Fixed Rate/Floating Rate]
12. Distribution Commencement Date: [●]
13. **Fixed Rate Perpetual Security**
  - (a) Day Count Fraction: [●]
  - (b) Distribution Payment Date(s): [●]
  - (c) Initial Broken Amount: [●]
  - (d) Rate of Distribution: [●] per cent. per annum
  - (e) First Reset Date: [●]
  - (f) Reset Date [●]
  - (g) Step-Up Margin [●]
  - (h) Step-Up Date [●]
  - (i) Initial Spread [●]
  - (j) Relevant Rate [Specify benchmark, if not swap offer rate]
  - (k) Reset Period [●]
  - (l) Reference Banks [Specify three]



- (m) Change of Control Margin [●]
14. **Floating Rate Perpetual Security**
- (a) Distribution Determination Date: [●] business days prior to the first day of each Distribution Period
- (b) Day Count Fraction: [●]
- (c) Specified Number of Months (Distribution Period): [●]
- (d) Specified Distribution Payment Dates: [●]
- (e) Business Day Convention: [Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
- (f) Benchmark: [SIBOR, Swap Rate or other benchmark]
- (g) Primary Source: [Specify relevant screen page or “Reference Banks”]
- (h) Reference Banks: [Specify three]
- (i) Relevant Time: [●]
- (j) Relevant Financial Centre: [The financial centre most closely connected to the Benchmark – specify if not Singapore]
- (k) Spread: [ +/- ] [●] per cent. per annum
- (l) Fall back provisions, rounding provisions and any other terms relating to the method of calculating distribution on Floating Rate Perpetual Securities, if different from those set out in the terms and conditions of the Perpetual Securities: [●]
15. Optional Payment: [●]
16. Dividend Pusher and Reference Period: [●] months
17. Dividend Stopper: [●]
18. Non-Cumulative Deferral: [●]
19. Cumulative Deferral: [●]
20. Additional Distribution: [●]
21. Issuer’s Redemption Option [Yes/No]  
 Issuer’s Redemption Option Period [Specify maximum and minimum number of days for notice period]<sup>3</sup>  
 (Condition 5(b)): [Specify Dates]

<sup>3</sup> To specify a minimum of five business days in the case of Perpetual Securities cleared through Clearstream, Luxembourg and/or Euroclear.

22. Redemption for Taxation Reasons:  
(Condition 5(c)) [Yes/No]  
[Specify maximum and minimum number of  
days for notice period]  
[Specify Dates]
23. Redemption for Accounting Reasons  
(Condition 5(d)): [Yes/No]  
[Specify maximum and minimum number of  
days for notice period]  
[Specify Dates]
24. Redemption for Tax Deductibility  
(Condition 5(e)): [Yes/No]  
[Specify maximum and minimum number of  
days for notice period]  
[Specify Dates]
25. Redemption in the case of Minimal  
Outstanding Amount  
(Condition 5(f)): [Yes/No]  
[Specify maximum and minimum number of  
days for notice period]  
[Specify Dates]
26. Redemption upon Change of Control  
(Condition 5(g)): [Yes/No]  
[Specify maximum and minimum number of  
days for notice period]  
[Specify Dates]
27. Form of Perpetual Securities: [Bearer/Registered]  
[Temporary Global Security exchangeable for  
Definitive Securities/Temporary Global Security  
exchangeable for Permanent Global Security/  
Permanent Global Security/Global Certificate]
28. Talons for future Coupons to be attached to  
Definitive Securities: [Yes/No. If yes, give details.]
29. Applicable TEFRA exemption: [C Rules/D Rules/Not Applicable]
30. Prohibition of sales to EEA investors: [Applicable/Not Applicable]  
(If the Perpetual Securities clearly do not  
constitute “packaged” products, “Not Applicable”  
should be specified. If the Perpetual Securities  
may constitute “packaged” products and no  
KID will be prepared, “Applicable” should be  
specified.)
31. Listing: [●]
32. ISIN Code: [●]
33. Common Code: [●]
34. Clearing System(s): [Not Applicable/Euroclear/Clearstream,  
Luxembourg/  
The Central Depository (Pte) Limited]  
[other clearing information]
35. Depository: [Common depository for Euroclear/Clearstream,  
Luxembourg/The Central  
Depository (Pte) Limited/others]

- |   |  |
|---|--|
| 36. Delivery:   | Delivery<br>[against/free of] payment                            |
| 37. Method of issue of Perpetual Securities:  | [Individual Dealer/ Syndicated Issue]                            |
| 38. The following Dealer(s) [is/are]<br>subscribing the Perpetual Securities:   | [insert legal name(s) of Dealer(s)]                              |
| 39. Stabilising Manager:  | [Insert legal name(s) of Stabilising Managers(s)]                |
| 40. Paying Agent:   | [Principal Paying Agent/Non-CDP Paying Agent]                    |
| 41. Calculation Agent:  | [●]  |
| 42. Date of Calculation Agency Agreement  | [●]  |
| 43. The aggregate principal amount of Perpetual<br>Securities issued has been translated<br>in Singapore dollars at the rate of [●]<br>producing a sum of (for Securities not<br>denominated in Singapore dollars): | S\$[●]   |
| 44. Use of proceeds:  | [●]  |
| 45. Private Banking Selling Commission:   | [Applicable/Not Applicable] [If applicable, state<br>percentage] |
| 46. Other terms:  |  |

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

Any additions or variations to the selling restrictions:

## **SUMMARY OF PROVISIONS RELATING TO THE SECURITIES WHILE IN GLOBAL FORM**

### **1 Initial Issue of Securities**

Global Securities and Global Certificates may be delivered on or prior to the original issue date of the Tranche to a Common Depository or CDP.

Upon the initial deposit of a Global Security with the Common Depository or CDP, or registration of Registered Securities in the name of, or in the name of a nominee of, the Common Depository or CDP and delivery of the relevant Global Certificate to the Common Depository or, as the case may be, CDP, the relevant clearing system will credit each subscriber with a principal amount of Securities equal to the principal amount thereof for which it has subscribed and paid.

Securities that are initially deposited with the Common Depository may also be credited to the accounts of subscribers with (if indicated in the relevant Pricing Supplement) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Securities that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

While any Security is represented by a Temporary Global Security, payments in respect of such Securities due prior to the Exchange Date (as defined below) will be made against presentation of the Temporary Global Security only to the extent that certification (in a form to be provided), to the effect that the beneficial owners of interests in such 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 (in the case of a Temporary Global Security delivered to a Common Depository) Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent or, as the case may be, the Non-CDP Paying Agent.

### **2 Relationship of Accountholders with Clearing Systems**

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg, CDP or any other clearing system (each, an “**Alternative Clearing System**”) as the holder of a particular principal amount of Securities (each an “**Accountholder**”) represented by a Global Security or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg, CDP or such Alternative Clearing System (as the case may be) for its share of each payment made by the Issuer to the bearer of such Global Security or the registered holder of the Global Certificate, as the case may be, and in relation to all other rights arising under the Global Securities or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, CDP or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Securities for so long as the Securities are represented by such Global Security or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Security or the registered holder of the Global Certificate, as the case may be, in respect of each amount so paid.

### **3 Exchange**

#### **3.1 Temporary Global Securities**

Each Temporary Global Security will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- (i) if the relevant Pricing Supplement indicates that the appropriate TEFRA exemption is either “C Rules” or “not applicable”, in whole, but not in part, for the Definitive Securities defined and described below; and

- (ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Temporary Global Security for interests in a Permanent Global Security or, if so provided in the relevant Pricing Supplement, for Definitive Securities.

### **3.2 Permanent Global Securities**

Each Permanent Global Security will be exchangeable, free of charge to the holder, on or after its Exchange Date, in whole (but not (except as provided under paragraph 3.4 below) in part), for Definitive Securities:

- (i) if the Permanent Global Security is held by or on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention to permanently cease business or does in fact do so; or
- (ii) if the Permanent Global Security is held by or on behalf of CDP and (a) an event of default, enforcement event or analogous event entitling an Accountholder or the Trustee to declare the Securities to be due and payable as provided in the Conditions has occurred and is continuing; or (b) CDP has closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise); or (c) CDP has announced an intention to permanently cease business and no alternative clearing system is available or (d) CDP has notified the Issuer that it is unable or unwilling to act as depository for the Securities and to continue performing its duties as set out in its terms and conditions for the provision of depository services and no alternative clearing system is available.

In the event that a Global Security is exchanged for Definitive Securities, such Definitive Securities shall be issued in Authorised Denomination(s) only. A Securityholder who holds a principal amount of less than the minimum Authorised Denomination will not receive a Definitive security in respect of such holding and would need to purchase a principal amount of Securities such that it holds an amount equal to one or more Denomination Amounts.

Securities which are represented by a Global Security will only be transferable in accordance with the rules and procedures for the time being of CDP, Euroclear or Clearstream, Luxembourg or the relevant Alternative Clearing System.

### **3.3 Global Certificates**

The following will apply in respect of transfers of Securities held in Euroclear or Clearstream, Luxembourg, CDP or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Securities within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Securities may be withdrawn from the relevant clearing system.

Transfers of the holding of Securities represented by a Global Certificate pursuant to Condition 2(b) may only be made:

- (i) in whole but not in part if such Securities are held on behalf of Euroclear, Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention to permanently cease business or does in fact do so; or
- (ii) in whole but not in part if such Securities are held by or on behalf of CDP and (a) an event of default, enforcement event or analogous event entitling an Accountholder or the Trustee to declare the Securities to be due and payable as provided in the Conditions has occurred and is continuing; or (b) CDP has closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise); or (c) CDP has announced an intention to permanently cease business and no alternative clearing system is available; or (d) CDP has notified the Issuer that it is unable or unwilling to act as depository for the Securities and to continue performing its duties as set out in its terms and conditions for the provision of depository services and no alternative clearing system is available; or

- (iii) in whole or in part, if such Securities are not cleared through CDP, with the consent of the Issuer,

provided that, in the case of a transfer pursuant to paragraphs 3.3(i) and 3.3(ii) above, the holder of such Securities has given the Registrar not less than 30 days' notice at its specified office of such holders' intention to effect such transfer.

### **3.4 Delivery of Securities**

On or after any due date for exchange the holder of a Global Security may surrender such Global Security or, in the case of a partial exchange, present it for endorsement to or to the order of the Principal Paying Agent. In exchange for any Global Security, or the part thereof to be exchanged, the Issuer will (i) in the case of a Temporary Global Security exchangeable for a Permanent Global Security, deliver, or procure the delivery of, a Permanent Global Security in an aggregate principal amount equal to the principal amount of the whole or part of the Temporary Global Security submitted for exchange or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a Permanent Global Security to reflect such exchange or (ii) in the case of a Permanent Global Security exchangeable for Definitive Securities, deliver, or procure the delivery of, duly executed and authenticated Definitive Securities in an aggregate principal amount equal to the principal amount of the Permanent Global Security submitted for exchange. Definitive Securities will be security printed in accordance with any applicable legal and stock exchange requirements substantially in the form set out in the relevant Schedules to the Trust Deed. Upon exchange (or payment) in whole of a Permanent Global Security, such Permanent Global Security shall be deemed fully paid and shall be cancelled by the Principal Paying Agent and, unless otherwise instructed by the Issuer, the cancelled Permanent Global Security shall be returned to the Issuer.

### **3.5 Exchange Date**

**"Exchange Date"** means, in relation to a Temporary Global Security, the first day following the expiry of 40 days after its issue date and, in relation to a Permanent Global Security, a day falling not less than 60 days after the day on which the notice requiring exchange is given and on which commercial banks are open for business in Singapore and in the case of an exchange pursuant to paragraph 3.3(i), a day on which commercial banks are open for business in the cities in which Euroclear, Clearstream, Luxembourg, the Depository or, if relevant, the Alternative Clearing System are located.

## **4 Amendment to Conditions**

The Temporary Global Securities, Permanent Global Securities and Global Certificates contain provisions that apply to the Securities that they represent, some of which modify the effect of the Conditions set out in this Information Memorandum. The following is a summary of certain of those provisions:

### **4.1 Payments**

No payment falling due after the Exchange Date will be made on any Global Security unless exchange for an interest in a Permanent Global Security or for Definitive Securities is improperly withheld or refused. Payments on any Temporary Global Security issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Temporary Global Security. All payments in respect of Securities represented by a Global Security will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Securities, surrender of that Global Security to or to the order of the Principal Paying Agent or such other Paying Agent as shall have been notified to the Securityholders for such purpose. A record of each payment so made will be endorsed on each Global Security, which endorsement will be prima facie evidence that such payment has been made in respect of the Securities.

All payments in respect of Securities represented by a Global Certificate held on behalf of Euroclear or Clearstream, Luxembourg will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where **"Clearing System Business Day"** means Monday to Friday inclusive except 25 December and 1 January.



All payments in respect of Securities represented by a Global Certificate held through CDP will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the fifth business day before the due date for payment.

#### **4.2 Prescription**

Claims in respect of principal and distribution in respect of Securities that are represented by a Permanent Global Security shall become void unless it is presented for payment (in the case of Notes) within a period of three years from the appropriate Relevant Date (as defined in Condition 8 of the Notes) and (in the case of Perpetual Securities) within a period of five years from the appropriate Relevant Date (as defined in Condition 7 of the Perpetual Securities).

#### **4.3 Meetings**

The holder of a Permanent Global Security or of the Securities represented by a Global Certificate shall (unless such Permanent Global Security or Global Certificate represents only one Security) be treated as two persons for the purposes of any quorum requirements of a meeting of Securityholders and, at any such meeting, the holder of a Permanent Global Security or the Securities represented by a Global Certificate shall be treated as having one vote in respect of each principal amount of Securities equal to the minimum Denomination Amount of the Securities for which such Permanent Global Security or Global Certificate may be exchanged.

#### **4.4 Cancellation**

Cancellation of any Security represented by a Permanent Global Security that is required by the Conditions to be cancelled (other than upon its redemption) shall be effected by reduction in the principal amount of such Permanent Global Security on its presentation to or to the order of the Principal Paying Agent or, as the case may be, CDP Paying Agent for endorsement in the relevant schedule to such Permanent Global Security or in the case of a Global Certificate, by reduction in the aggregate principal amount of the Certificates in the Register, whereupon the principal amount thereof shall be reduced for all purposes by the amount so cancelled and endorsed.

#### **4.5 Purchase**

Securities represented by a Permanent Global Security may only be purchased by the Issuer or any of its subsidiaries if they are purchased together with the right to receive all future payments of interest or distribution thereon.

#### **4.6 Issuer's Option**

Any option of the Issuer provided for in the Conditions of any Securities while such Securities are represented by a Permanent Global Security shall be exercised by the Issuer giving notice to the Securityholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Securities drawn in the case of a partial exercise of an option and accordingly no drawing of Securities shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Securities of any Series, the rights of Accountholders with a clearing system in respect of the Securities will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg, CDP or any other clearing system (as the case may be).

#### **4.7 Securityholders' Options**

Any option of the Noteholders provided for in the Conditions of any Securities while such Securities are represented by a Permanent Global Security may be exercised by the holder of the Permanent Global Note giving notice to the Principal Paying Agent or, as the case may be, the Non-CDP Paying Agent within the time limits relating to the deposit of Securities with the Principal Paying Agent or, as the case may be, the Non-CDP Paying Agent set out in the Conditions substantially in the form of the notice available from the Principal Paying Agent or, as the case may be, the Non-CDP Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised and the option may be exercised in respect of the whole or any part of such Permanent Global Security, and stating the nominal amount of Securities in respect of which the option is exercised and at the same time

presenting the Permanent Global Security to the Principal Paying Agent, for notation. Any option of the Securityholders provided for in the Conditions of any Securities while such Securities are represented by a Global Certificate may be exercised in respect of the whole or any part of the holding of Securities represented by such Global Certificate.

#### **4.8 Trustee's Powers**

So long as any Global Security or, as the case may be, Global Certificate is held on behalf of a clearing system, in considering the interests of the Securityholders, the Trustee may have regard to any information, reports or certifications provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders or participants with entitlements to such Global Security or, as the case may be, Global Certificate and may consider such interests on the basis that such accountholders or participants were the holders thereof.

#### **4.9 Notices**

So long as any Securities are represented by a Global Security or a Global Certificate and such Global Security or Global Certificate is held on behalf of:

- (i) Euroclear and/or Clearstream, Luxembourg or any other clearing system (except as provided in paragraph 4.9(ii) below), notices to the holders of Securities of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Security or Global Certificate; or
- (ii) (subject to the agreement of CDP) CDP, notices to the holders of Securities of that Series may be given by delivery of the relevant notice to CDP or by delivery of the relevant notice to the holder of the Global Security or Global Certificate, except that so long as such Securities are listed on the SGX-ST and the rules of the SGX-ST so require, notices in respect of such Securities shall also be published in a daily newspaper in the English language having general circulation in Singapore.

## RISK FACTORS

*Prior to making any investment decision, prospective investors should consider carefully all of the information in this Information Memorandum and any documents incorporated by reference herein, including the risks and uncertainties described below. The business, financial condition, performance, prospects or results of operations of the Issuer and/or the Guarantor (including for these purposes its subsidiaries and/or associated companies (if any)) could be materially adversely affected by any of these risks. The Issuer and the Guarantor believe that the following factors may affect their ability to fulfil their obligations under the Securities issued under the Programme. All of these factors are contingencies which may or may not occur and none of the Issuer or the Guarantor is in a position to express a view on the likelihood of any such contingency occurring.*

*Factors which the Issuer and the Guarantor believe may be material for the purpose of assessing the market risks associated with Securities issued under the Programme are also described below.*

*The Issuer and the Guarantor believe that the factors described below represent the principal risks inherent in investing in Securities issued under the Programme, but the Issuer or the Guarantor may be unable to pay interest, principal or other amounts on or in connection with any Securities for other reasons and the Issuer and the Guarantor do not represent that the statements below regarding the risks of holding any Securities are complete or exhaustive. Additional risk factors which the Issuer and the Guarantor are currently unaware of may also impair the business, financial condition, performance, prospects or results of operations of the Issuer, the Guarantor or the Group. Prospective investors should also read the detailed information set out elsewhere in this Information Memorandum (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.*

### LIMITATIONS OF THIS INFORMATION MEMORANDUM

***Prospective investors in the Securities should make their own investigations of the Issuer, the Guarantor and the Group, prior to making an investment or divestment decision in relation to the Securities issued under the Programme***

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

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the Securities (or any part thereof) is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Guarantor, the Arranger or any of the Dealer(s) that any recipient of this Information Memorandum or any such other document or information (or any part thereof) should subscribe for or purchase or sell any of the Securities. This Information Memorandum is not, and does not purport to be, investment advice. A prospective investor should make an investment in the Securities only after it has determined that such investment is suitable for its investment objectives. Determining whether an investment in the Securities is suitable is a prospective investor's responsibility, even if the investor has received information to assist it in making such a determination.

Each person receiving this Information Memorandum acknowledges that such person has not relied on the Issuer, the Guarantor, their respective subsidiaries or associated companies (if any), the Arranger, any of the Dealer(s) or any person affiliated with each of them in connection with its investigation of the accuracy or completeness of the information contained herein or of any additional information considered by it to be necessary in connection with its investment or divestment decision. Any recipient of this Information Memorandum contemplating subscribing for or purchasing or selling any of the Securities should determine for itself the relevance of the information contained in this Information Memorandum and any such other document or information (or any part thereof) and its investment or divestment should be, and shall be deemed to be, based solely upon its own independent investigation of the financial

condition and affairs, and its own appraisal of the creditworthiness, of the Issuer, the Guarantor, their respective subsidiaries and associated companies (if any), the terms and conditions of the Securities and any other factors relevant to its decision, including the merits and risks involved. A prospective investor should consult with its legal, tax and financial advisers prior to deciding to make an investment in the Securities.

This Information Memorandum contains forward-looking statements. These forward-looking statements are based on a number of assumptions which are subject to uncertainties and contingencies, many of which are outside the control of the Issuer and/or the Guarantor, and such statements may prove inaccurate. Please see the section on “Forward-Looking Statements” on page 8 of this Information Memorandum.

## **RISKS RELATING TO THE GROUP’S PROPERTY DEVELOPMENT BUSINESS**

### ***The Group’s property development business is subject to revenue and profit volatility***

The Group’s revenue from its property development business in any financial year may fluctuate as it is predominantly project-based and is dependent on the number, value and stage of completion of the property development projects it undertakes. Accordingly, there is no assurance that the amount of revenue and profits from the Group’s sale of development properties will remain comparable each year. In the event that the Group undertakes fewer or no new property development projects for any reason or if there is any delay in the progress of any of the property development projects, its revenue and profits recognised in that financial year, and accordingly the Group’s business, financial condition, results of operations and prospects may be materially and adversely affected. As such, potential investors should note that the historical financial performance and financial condition of the Group are not to be taken as an indication of the future financial performance and financial condition of the Group in any financial reporting period.

### ***The Group may not be able to identify new property development projects and source for new land sites***

There can be no assurance that the Group will be able to compete successfully against other existing or potential property developers or that increased competition may not have a material adverse effect on its business, financial condition and results of operations. Increased competition in the real estate industry may also result in increased costs for land acquisition, lower profit margins 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. There is no assurance that the Group will be able to identify and acquire attractive sites in the future at commercially acceptable prices, if at all. The Group’s ability to acquire land use rights and their corresponding acquisition costs may also be affected by government policies toward land supply, development and pricing. In the event that the Group is unable to identify and/or acquire attractive new sites at commercially acceptable prices, this could impair the Group’s ability to compete with other property developers and have an adverse effect on the Group’s property development business, including its ability to grow its property development business. In addition, the failure to identify potential and profitable new property projects would have an adverse effect on the Group’s revenue and profitability, which may have a material and adverse effect on the Group’s business, financial condition, results of operations and prospects.

### ***Changing market conditions may adversely affect the Group’s business, financial condition and results of operation***

The property market is subject to changes in economic outlook and financial market volatility. Depending on the size of the development, the time span for completing a property development usually lasts for more than a year. Consequently, rapidly changing market conditions, such as changes in customer tastes, market prices and the desirability of a location, during the length of the project may affect the revenue and cost of the development, which in turn has a direct impact on the profitability of the projects and may affect the Group’s property development business. Timing for the launch of new projects is therefore the key to securing sales of units at optimal sales prices. A downturn in the property market leading to lower property values may result in the Group having to delay the launches of new developments. This will result in increased holding costs until the development properties are sold. Furthermore, property development requires significant capital outlays and returns on capital are not achieved until cash is

received from pre-sale, sales or leases. The size of the capital outlays and number of parties involved in a property development project make it difficult to change property development plans once set. As a result, the Group may not be able to adjust its plans or reallocate its resources to adapt to rapidly changing market conditions and this may materially and adversely affect its business, financial condition, results of operations and prospects.

***The Group is subject to governmental regulations and approvals in Singapore and the jurisdictions in which it operates***

The real estate industry in the countries where the Group operates is subject to significant government regulation and approvals over, amongst other things, land and title acquisition, development planning and design, construction and mortgage financing and refinancing, obtaining property development and sale licences, obtaining certificates of completion for its development projects and issuance of individual titles following completion of construction.

The Singapore government is a major supplier of land to private developers under the Singapore government's Land Sales Programme, which is reviewed on a half-yearly basis. The Singapore government regulates the supply of land from time to time through policy adjustments or new regulatory measures to manage the demand and supply of property in order to maintain an orderly and stable property market. The Singapore government has exercised and continues to exercise significant influence over Singapore's property industry, and the policies of the Singapore government concerning the economy or the real estate sector, or any change therein, could have a material and adverse effect on the business, financial condition, results of operations and prospects of the Group. For example, changes to the Master Plan guidelines relating to zoning and micro-planning restrictions on land use, increases in foreign worker levies and changes in laws relating to sustainable development, environmental controls, building codes, stamp duty, property tax, income tax and capital gains tax could adversely affect the profitability of the Group.

In addition, in order to develop and complete a property development project, a property developer must in general 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. There is no assurance that the Group will be able to obtain the requisite governmental approvals or fulfil the conditions required for obtaining the approvals or adapt to new laws, regulations or policies that may come into effect. There can also be no such assurance that governments of the countries where the Group operates in will not adopt restrictive policies and impose onerous or unfavourable conditions with respect to the issuance of certain licences, permits or approval. If the Group is unable to obtain the relevant approvals or fulfil the conditions of such approvals for a significant number of its property development projects, these development projects may not proceed on schedule or at all and the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

***Sale of the Group's development projects may be affected by anti-speculation measures***

Historically, the Singapore 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. Such measures include the Income Tax (Amendment) Act 1996 which imposes income tax on gains from the disposal of any real property (and on the sale of shares in a relevant property company) within three years from the date of its acquisition by any person although that person is not otherwise carrying on a trade of buying and selling properties. This measure has been suspended with effect from 13 October 2001. In May 1996, the Singapore government imposed additional stamp duty payable by a vendor in order to curb speculation and the spiralling property prices. This legislation was suspended in November 1997 and released in 2005. The seller's stamp duty ("**SSD**") was reintroduced from February 2010 and is imposed on all residential properties and residential lands transferred and disposed within one year of acquisition at the same rate as buyer's stamp duty. In August 2010, the Singapore government further announced that SSD would be payable on residential properties which



are acquired (or purchased) on or after 30 August 2010 and disposed of (or sold) within three years of acquisition at the same rate as buyer's stamp duty but progressively decreasing depending on the holding period. In January 2011, the Singapore government announced the extension of the holding period for imposition of SSD on residential properties from three years to four years. The SSD rates ranged from 4 per cent. to 16 per cent. and were imposed on residential properties acquired (or purchased) on or after 14 January 2011 and disposed of (or sold) within four years of acquisition. In March 2017, the Singapore government announced the reduction of the holding period for imposition of SSD on residential properties from four years to three years, based on lowered rates. Ranging from 4 per cent. to 12 per cent., the lowered SSD rates would be imposed on residential properties which are acquired (or purchased) on or after 11 March 2017 and disposed of (or sold) within three years of acquisition.

In December 2011, the Singapore government introduced the additional buyer's stamp duty ("**ABSD**"), which was further enhanced in January 2013. ABSD ranging from five per cent. to 15 per cent. is to be paid by certain groups of people who buy or acquire residential properties (including residential land).

In July 2018, ABSD rates for individuals buying their second and subsequent properties were raised by 5 per cent., while that for corporate entities were increased by 10 per cent. The Singapore government also introduced a new non-remittable ABSD of 5 per cent. on the purchase price or market value of the residential properties purchased by developers for housing development. This new measure, along with the revised ABSD of 25 per cent. for corporate entities buying any residential property which is remittable subject to certain conditions, will increase development risks for developers.

In February 2018, the Singapore government raised the top marginal buyer's stamp duty rate from 3 per cent. to 4 per cent. for residential properties worth more than S\$1 million. This new rate applies to all residential properties acquired from 20 February 2018.

Furthermore, in June 2013, the MAS introduced a Total Debt Servicing Ratio ("**TDSR**") framework for all 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. The TDSR is the percentage of total monthly debt obligations to gross monthly income. 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 MAS has also stated that the Loan-to-Value ("**LTV**") limits on housing loans, which were last tightened in January 2013, are not permanent and will be reviewed depending on the state of the property market. In July 2018, the Singapore government announced a further tightening of the LTV limits on private housing loans by 5 per cent. across the board. The introduction of the TDSR framework and any future reduction in the acceptable TDSR threshold or allowable LTV limits may have an adverse effect on the Singapore residential property market.

The Singapore government may introduce further legislation or policies or amend existing legislation or policies to moderate the Singapore residential property market or to encourage financial prudence. Such measures may have an adverse effect on the Singapore residential property market and consequently on the residential sales volumes and prices with respect to the Group's development projects. This may materially and adversely affect the business, financial condition, results of operations and prospects of the Group.

***The Group relies on independent contractors to provide property development products and services***

The Group engages independent third party contractors to provide significant property development services, including construction, piling and foundation, building and property fitting-out work, interior decoration and installation of air-conditioning units and elevators. There can be no assurance that the services rendered by any such independent contractor or any subcontractor will be completed in a timely manner or of satisfactory quality. If these services are not timely or of acceptable quality, the Group may incur substantial costs to complete the projects and remedy any defects and the Group's reputation could be significantly harmed. The Group is also exposed to the risk that a contractor may require additional funds in excess of the fixed cost to which they committed contractually and the Group may have to bear such additional amounts. Furthermore, any contractor that experiences financial or other difficulties,



including labour disputes with its employees, may be unable to carry out construction or related work, resulting in delay in the completion of the Group's development projects or resulting in additional costs. The Group believes that any problems with the Group's contractors, individually or in the aggregate, may materially and adversely affect the Group's business, financial condition, results of operations and prospects. There is no assurance that such problems with the Group's contractors will not occur in the future.

***The Group may be affected by accidents at work sites***

Accidents or mishaps may occur at the work sites of the Group's projects. Such accidents or mishaps may severely disrupt the operations of the Group and lead to delays in the completion of projects. In the event of such delay, the Group may be liable to pay liquidated damages to its clients and its business, financial condition and results of operations may be materially and adversely affected. Furthermore, such accidents or mishaps may subject the Group to claims from workers or other persons involved in such accidents or mishaps for damages, and any claims which are not covered by the Group's insurance policies may materially and adversely affect the Group's business, financial condition, results of operations and prospects.

In addition, in the event that the Group's work sites contravene the requisite safety standards imposed by the regulatory authorities, the Group may be subject to penalties which include being fined or issued with partial or full stop-work orders. The issuance of such stop-work orders may disrupt operations and lead to a delay in the completion of a project. These circumstances may have a material and adverse impact on the Group's business, financial condition, results of operations and prospects.

***The Group's performance may be affected by changes in commodity prices***

The Group faces risks in relation to changes in commodity prices due to the consumption of large quantities of building materials, including raw iron, steel, sand, granite and concrete, in its property development operations. As a property developer, in general, the Group enters into fixed or guaranteed maximum price construction contracts with independent construction companies, each of which affects the development of a significant part of its overall development project. These contracts typically cover both the supply of the building materials and the construction of the facility during the construction period. Therefore, should the price of building materials increase significantly prior to the Group entering into a fixed or guaranteed maximum price construction contract, or should its existing contractors fail to perform under their contracts, the Group may be required to pay more to existing or prospective contractors, which could materially and adversely affect the Group's business, financial condition, results of operations and prospects.

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

The Group faces risks relating to pre-sale of properties. For example, the Group may fail to complete a fully or partially pre-sold property development, in which case, the Group may be liable for potential losses that buyers may suffer as a result. There can be no assurance that these losses would not exceed the purchase price paid in respect of the pre-sold units. In addition, if a pre-sold property development is not completed on time, the buyers of pre-sold units may be entitled to compensation for late delivery. Failure to complete a property development on time may be attributed to factors such as longer time taken and higher costs involved in completing construction, which are in turn adversely affected by factors such as delays in obtaining requisite licences, permits or approval from government agencies or authorities, shortages of labour, adverse weather conditions, natural disasters, labour disputes, dispute with contractors, accidents and changes in government priorities and policies. If the delay extends beyond the contractually-specified period, these buyers may even be entitled to terminate the pre-sale agreements and claim damages. There is no assurance that the Group will not experience any significant delays in completion or delivery or that the Group will not be subject to any liabilities for any such delays. Further, a high default rate of the buyers under their respective sale agreements could have a material and adverse effect on the Group's business, financial position, results of operations and prospects.

## **RISKS FACTORS RELATING TO THE GROUP'S INVESTMENT PROPERTIES BUSINESS**

### ***The Group may not be able to generate adequate returns on its properties held for long-term purposes***

Property investment is subject to varying degrees of inherent risks. The investment returns available from investments in real estate, such as the wholly-owned flagship of the Issuer, Great World City, depends primarily on the capital appreciation generated, income from rentals and expenses incurred. Maximising yields from properties held for long-term investment also depends, to a large extent, on active ongoing management and maintenance of the properties. The ability to eventually dispose of investment properties will also depend on market conditions and levels of liquidity, which may be limited or subject to significant fluctuation in the case of certain types of commercial properties. The revenue derived from and the value of property investment may be adversely affected by a number of factors, including but not limited to changes in market rates for comparable rentals, the inability to collect rent due to bankruptcy or insolvency of tenants and the costs resulting from periodic maintenance, repair and re-letting.

### ***The Group's investment properties are concentrated in Singapore, which may result in a higher level of risk compared to other entities that have properties spread over diverse locations***

The investment properties held by the Group are largely located in Singapore. Such concentration in Singapore may entail a higher level of risk as compared to some other entities which have properties spread over different countries. A substantial portion of the Group's earnings depends on the continued strength of Singapore's office and retail markets, which is in turn affected by general economic and business conditions. This exposes the Group to the risk of a prolonged downturn in economic and real estate conditions in Singapore. The value of the Group's investment properties and the rental revenue collected may also be adversely affected by local real estate conditions.

### ***The Group is subject to risks associated with asset enhancements of its properties***

The Group's investment properties may be the subject of asset enhancement initiatives by the Group from time to time. Asset enhancement initiatives typically require substantial capital outlay and may take an extended period of time before positive cash flows may be generated. A significant amount of time and funds are required to complete such asset enhancement initiatives. The Group finances its asset enhancement initiatives largely through internally generated funds as well as debt financing. The ability of the Group to undertake its asset enhancement initiatives is subject to its ability to secure adequate funding. In addition, it is charged interest at rates which may fluctuate according to market rates charged by commercial banks and its profitability may be adversely affected in the event that the interest expense arising from such debt financing is under-estimated. As security for payment under debt financing, the Group may also be required to mortgage or pledge certain assets to creditors and/or assign the sale and rental proceeds, performance bonds and insurances in respects of its properties to creditors.

The time taken and the costs involved in completing asset enhancement initiatives can be adversely affected by many factors, including delays in obtaining requisite licences, permits or approval from government agencies or authorities, shortages of materials, equipment, labour and unforeseen engineering, environmental or geological problems, adverse weather conditions, natural disasters, litigation, work stoppages and labour disputes with contractors and subcontractors, accidents, changes in government policies, and other unforeseen problems or circumstances. Consequently, changes in the business environment during the length of the project may affect the revenue and cost of the asset enhancement initiative, which in turn have a direct impact on whether or not the asset enhancement initiative is profitable. Factors that may affect the profitability of an asset enhancement initiative also includes the risk that the receipt of government approvals may take more time than expected, the failure to complete construction according to original specifications, schedule or budget and the availability of financing.

There can also be no assurance that any or all of the current or future asset enhancement initiatives affecting the properties in which the Group has an interest will be completed within the anticipated time frame or budget, if at all, whether as a result of the factors specified above or for any other reason. The inability to complete any asset enhancement initiative within the anticipated time frame and budget could have a material and adverse effect on the Group's business, financial condition, results of operations and prospects. In addition, significant pre-operating costs may be incurred and there can be no assurance that these costs can be recovered within a brief period or if at all, and there may be a substantial length of time before an asset enhancement initiative generates revenues and positive cash flows. The failure to adequately prepare for pre-operating costs could adversely affect the Group's business, financial condition, results of operations and prospects.

### ***The Group's real estate investments may be illiquid***

Real estate investments are generally illiquid. Such illiquidity limits the ability of an owner or a developer to convert real estate assets into cash on short notice or may require a substantial reduction in the price that may otherwise be sought for such asset to ensure a quick sale. Such illiquidity also limits the ability of the Group to vary its portfolio in response to changes in economic, real estate market or other conditions. This could have a material and adverse effect on Group's business, financial condition, results of operations and prospects. Moreover, the Group may face difficulties in securing timely and commercially favourable financing in asset-based lending transactions secured by real estate due to its illiquidity. These factors could affect the Group's gains from realisation of its investments in real estate assets, including the value at which it may dispose of its holdings in entities that hold the real estate assets, the income or other distributions received by it from vehicles which the Group has invested in or the inability to dispose of major investment properties for the values at which they are recorded in the financial statements of the Group, which in turn would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

### ***The Group's investment properties may face competition from other properties***

There are many office and retail spaces and properties in Singapore that compete with the Group's investment properties in attracting tenants. Tenants may choose to move their operations and business to competing spaces for various reasons, including lower rentals, higher footfall and easier accessibility, which results in lower occupancies in the Group's properties and reduced gross revenue.

The supply of similar rental properties at comparable or lower rental rates by competitors may adversely affect the attractiveness of the Group's commercial properties and, as a result, the value of the Group's investment properties as well as the contribution of rental income from the Group's investment properties to its overall turnover.

### ***Gross revenue from, and the value of, investment properties may be adversely affected by a number of factors***

There can be no assurance that any revenue derived from rental of the Group's properties will not decline and that such decline will not have an adverse effect of the cash flow of the Issuer. Factors that may adversely affect revenue earned from, and the value of, the Group's investment properties include:

- vacancies following the expiry or termination of leases that lead to lower occupancy rates which reduce the Issuer's revenue and its ability to recover certain operating costs (such as through a service charge);
- tenants requesting for rental rebates due to the impact of an economic downturn on their respective businesses and market pressure;
- tenants requesting waivers of interest on late payment of rent;
- the ability of tenants to pay rent on a timely basis or at all;
- the quality of the tenants and the financial strength of their businesses;
- the attractiveness of the Group's investment properties and each of their respective locations thereof;
- in respect of the investment properties of the Group which feature a retail component, the compatibility and development progress of assets in areas surrounding such investment properties which may have a direct impact on shopper traffic;
- tenants seeking the protection of bankruptcy or insolvency laws which could result in delays in the receipt of rent payments, inability to collect rental income, or delays in the termination of the tenant's lease which could hinder or delay the re-letting of the space in question, or the sale of the Group's investment properties;

- the amount of rent payable by tenants and other terms on which tenancy renewals and new tenancies are agreed being less favourable than those under current tenancies;
- inability to secure renewals of tenancies;
- changes in laws and governmental regulations in relation to real estate, including those governing the environment, ownership, real estate development, usage, zoning, taxes and government charges. Such revisions may lead to an increase in management expenses or unforeseen capital expenditure needed to ensure compliance. Rights related to the investment properties held by the Group may also be restricted by legislative actions, such as revisions to the laws relating to environmental and building standards or town planning laws, or the enactment of new laws related to condemnation and redevelopment;
- price and wage controls, taxation, expropriation and other political, economic or diplomatic developments in or affecting Singapore, Vietnam and/or the PRC;
- any environmental claims in respect of real estate; and/or
- natural disasters, acts of God, acts of violence or wars, terrorist attacks, riots, civil commotions, widespread communicable diseases and other events beyond the control of the Issuer.

In the event that the Group is unable to generate adequate returns from its investment properties, its business, financial condition, results of operations and prospects may be materially and adversely affected.

Further, online shopping for goods and services has been gaining popularity among shoppers. This may cause a decline in profits for brick-and-mortar businesses, causing a decrease in demand for retail space which may result in a decline in the rental rates, and have a material and adverse effect on the business, financial condition, results of operations and prospects of the Group.

## **RISKS FACTORS RELATING TO THE GROUP'S HOSPITALITY BUSINESS**

### ***The hospitality industry is competitive and the Group's performance may be affected by increasing competition***

The Group competes locally and internationally with existing and potential hospitality establishments. Competing hospitality establishments may offer more and/or better facilities at their premises at similar or more competitive prices compared to the facilities offered at the hospitality properties owned and/or managed by the Group. The success of the hospitality assets owned and/or managed by the Group will depend on various factors, including the ability to compete in areas such as quality of accommodation, room rates, level of service, brand recognition, convenience of the location, range of facilities, quality of common areas and facilities, food and beverage facilities and quality of other amenities. Some of the Group's competitors may have substantially greater marketing and financial resources than the Group, and they may significantly expand or improve their facilities, reduce their process or expand or improve their marketing programmes and conduct maintenance of existing operations and developments. If the efforts by competing hospitality establishments are successful, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

### ***The hospitality business of the Group is cyclical and sensitive to external and economic changes***

There are a number of factors which are common to the regional hospitality industry and beyond the control of the Group. These factors could materially and adversely affect the business, financial condition, results of operations and prospects of the Group, including:

- the condition of, and changes in, the domestic, regional and global economies, including, but not limited to, factors such as the political landscape, environmental conditions and epidemics that result from the spread of infectious diseases that may result in reduced occupancy rates, room rates, visitors and demand for the hospitality assets of the Group;

- unexpected increase in new supply of hotels and hence increased competition in the markets in which the Group operates, which could adversely impact the occupancy levels and revenue of the Group's hotels or future hospitality assets of the Group;
- changes in the Group's relationships with, and the performance and reputation of the service providers and other companies with whom the Group may contract;
- changes in government laws and regulations, fiscal policies and zoning ordinances, labour laws and the related costs of compliance with laws and regulations, fiscal policies and ordinances affecting the Group;
- increased competition in the hospitality industry in countries in which the Group's current or future assets may be located;
- changes in business, commercial and leisure travel and tourism patterns, which may fluctuate from time to time and tends to be seasonal;
- increases in operating costs due to inflation, labour costs (including the impact of unionisation), workers' compensation and healthcare-related costs, maintenance costs, utility costs, insurance and unanticipated costs such as those resulting from acts of nature;
- changes in exchange rates that may adversely affect the Group's operating results, asset value, liabilities or ability to finance its operations;
- changes in interest rates and in the availability, cost and terms of debt financing and other changes that may adversely affect the Group's ability to source capital to fund capital expenditures, acquisitions and other general corporate purposes or to comply with debt financing covenants;
- the nature and length of a typical hotel guest's stay as hotel guests typically stay on a short-term basis and there is no assurance of long-term occupancy for hotel rooms;
- unfavourable publicity in relation to the Group's hotels;
- the reputation and standing of the service providers, including restaurants located within the Group's current and future hotels;
- the financial condition and liquidity of the Group; and
- other matters that are not currently known to the Group or not currently considered material by the Group.

***The Group may not always be able to attract and retain qualified personnel for its hospitality business***

The hospitality industry is service-oriented and labour intensive. The continued success of the Group's hospitality business depends on its ability to attract and retain qualified personnel to handle the day-to-day operations. The Group must compete aggressively for skilled hospitality employees, such as offering enhanced remuneration packages which includes higher wages and additional benefits, which translates to increased operating costs for the hospitality assets owned and/or managed by the Group. If the Group is unable to continue to attract and retain qualified personnel, the Group's hospitality operations may not be able to match its staffing level to its business needs and the Group's businesses, financial condition, results of operations and prospects may be materially and adversely affected.

Skilled hospitality staff of the Group may also be poached by existing or potential competitors in the market and a shortage of manpower and compressed work procedures may translate to lower service quality, which may result in the overall experience for guests and ultimately result in customers preferring alternative accommodations from competitors of the Group. This may have a material and adverse effect on the Group's business, financial condition, results of operations and prospects.



***The Group's hospitality operations require licences and its profitability may be adversely affected by any failure to obtain, renew or obtain the transfer of, such licences***

The hospitality operations of the Group are subject to the laws, rules and regulations of the countries in which it operates. The withdrawal, suspension or non-renewal of any of the certificates of registration and/or licences, or the imposition of any penalties as a result of any infringement or non-compliance with any applicable laws, rules or regulations, will have an adverse impact on the hospitality business of the Group and consequently, its profitability. Furthermore, any changes in such laws, rules and regulations may also impact the business at the Group's hospitality assets and may result in higher costs of compliance. Any failure to comply with new or revised laws, rules and regulations could result in the imposition of fines or other penalties by the relevant authorities. This may have a material and adverse impact on the Group's business, financial condition, results of operations and prospects.

***The growth of third party online and other hotel reservation intermediaries and travel consolidators may adversely affect the Group's margins and profitability***

Some of the Group's hotel rooms are booked through third party online and other hotel reservation intermediaries and consolidators to whom the Group pays commissions for such services. They may be able to negotiate higher commissions, reduced room rates, or other significant concessions from the Group. The Group believes that such intermediaries and consolidators attempt to develop and increase customer loyalty toward their reservation systems rather than that of the Group. As a result, the growth and increasing importance of these travel intermediaries and consolidators may adversely affect the Group's ability to control the supply and price of its room inventory, which would in turn adversely affect its margins and profitability. This may have a material and adverse impact on the Group's business, financial condition, results of operations and prospects.

## **OTHER RISK FACTORS RELATING TO THE GROUP'S BUSINESS**

***The Group may be affected by changes in regulatory, political and social conditions***

The Group currently operates and has investments in Singapore, Vietnam and the PRC. The Group is unable to foresee the nature of governmental laws and regulations applicable to its operations or investments that may be introduced in future. Laws and regulations governing business entities in these countries may change and are often subject to a number of possibly conflicting interpretations, both by business entities and by the courts. At times, the interpretation, application or enforcement of laws and regulations may be unclear and the content of applicable laws and regulations may not be immediately available to the public. Such laws and regulations may become more stringent or onerous in the future and if additional compliance procedures are introduced, the Group's operational costs may increase. In particular, data privacy has recently become an important issue in many countries, including Singapore. With the tightening of personal data privacy laws in many countries and the increasing awareness of the importance of personal data privacy, the Group may face significant compensation claims and/or government or regulatory fines for any failure to secure the data of tenants for its investment properties and/or hospitality assets or non-compliance of related government laws. If the Group is unable to comply with such laws and regulations, it may not be able to operate or invest in these territories or countries. This increases its exposure to risks in specific territories or countries where it would otherwise have the expertise to compete. The success of the Group's businesses may also be affected by consumer preferences, the popularity of its properties (including in terms of location and design) and consumer spending trends. Consumer preferences and spending trends are influenced by external factors including, among others, the income level of consumers and the demographic profiles in its various markets. These risks may have a material and adverse impact on the Group's business, financial condition, results of operations and prospects.

***The Group depends on the continued service of certain key personnel, and the loss of any such key personnel may adversely affect its financial condition and results of operations***

Execution of the Group's strategy depends on its ability to attract, develop and retain employees with the appropriate skills, experience and aptitude. The Group's continued success depends to a significant extent on its strong management team and skilled personnel. Development and maintenance of a group culture, recognition systems, compensation and benefits arrangements, training and development all play leading roles in minimising this risk. The loss of any of these personnel without timely and suitable replacement and the inability to attract and retain qualified and experienced personnel may have a material and adverse effect on the Group's business, financial condition, results of operations and prospects.



***The Group's key businesses are generally capital intensive in nature and the Group's growth may be affected if it is unable to obtain financing***

The Group's key businesses are generally capital intensive in nature. For instance, the Group's hospitality and investment properties will require periodic capital expenditure, refurbishments, renovation and improvements to remain competitive. Acquisitions or development of property assets (including landbank for future development) will also require significant capital expenditure. The Group may not be able to fund capital improvements or acquisitions solely from cash generated from its operating activities. In the event that the Group is unable to obtain additional equity or debt or is unable to obtain such financing on favourable terms, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

The Group may also require additional financing to fund working capital requirements, to support the future growth of its business and/or to refinance existing debt obligations. There can be no assurance that additional financing, either on a short-term or a long-term basis, will be made available or, if available, that such financing will be obtained on terms favourable to the Group. The Group's ability to arrange adequate financing (if at all) on terms which are acceptable to the Group depends on a number of factors that are beyond its control, including general economic and political conditions, the cyclicity of the property market and market disruption risks which could adversely affect the liquidity, interest rates and the availability of funding sources, the terms on which financial institutions are willing to extend credit to the Group and the availability of other sources of debt or equity financing. Uncertainty in the capital and credit markets may adversely affect the Group's ability to obtain financing on terms which are acceptable to the Group. If the Group is unable to obtain financing on terms which are acceptable to the Group, it may have to curtail its capital expenditure and/or defer its property development projects. Such an event may have a material and adverse impact on the Group's business, financial condition, results of operations and prospects.

***Losses or liabilities from latent property or equipment defects may adversely affect earnings and cash flow***

Design, construction or other latent property or equipment defects in the Group's properties may require additional capital expenditure, special repair, maintenance expenses or the payment of damages or other obligations to third parties. Costs or liabilities arising from such property or equipment defects may involve significant and potentially unpredictable patterns and levels of expenditure which may have a material and adverse effect on the Group's business, financial position, results of operations and prospects.

The costs of maintaining the Group's properties and the risk of unforeseen maintenance or repair requirements tend to increase over time as the Group's properties age. The business and operation of the Group's properties may be disrupted as a result of asset enhancement works and it may not be possible to collect the full rate of, or, as the case may be, any rental income on the space affected by such asset enhancement works.

***The Group may suffer an uninsured loss***

The Group maintains insurance cover appropriate to its risk profile after taking into account the level of retained risk the Group considers to be appropriate, relative to the cost of cover available in the market place. Not all risks are insured, either because the cover is not available in the market or that cover is not available on commercially viable terms. The Group is also exposed to the risk of cover not being continually available. Availability may be influenced by factors outside the Group's control, which could reduce the insurers' underwriting capacity, breadth of policy coverage or simply make the cost of cover too expensive. In addition, the Group could be exposed to uninsured third-party claims, loss of revenue or reduction of fixed asset values which may, in turn, have an adverse effect on Group profitability, cash flows and ability to satisfy banking covenants. 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 its properties as well as anticipated future revenue from such properties. The Group would also remain liable for any debt or other financial obligation related to the properties and the business, financial condition and results of operations of the Group may be adversely affected. No assurance can be given that material losses in excess of insurance proceeds will not occur in the future or that adequate insurance coverage for the Group will be available in the future on commercially reasonable terms and rates or at all.

***The Group may be involved in legal and other proceedings arising from its operations from time to time***

The Group may be involved from time to time in disputes with various parties involved in the development and sale of the Group's properties (such as contractors, sub-contractors, suppliers, construction companies, purchasers and other partners) and the management and operations of the Group's hotels and investment properties. As a property developer, the Group may face disputes with, and claims from, purchasers in connection with delays and alleged defective works carried out in its property development projects. It may also have disputes with its contractors or suppliers over issues including, amongst other things, the quality of construction materials, the standard and skilfulness of their labourers and prices of the construction contracts. These disputes may lead to legal and other proceedings, and may cause the Group to suffer additional costs and delays to the relevant property development(s). In addition, the Group may have disagreements with regulatory bodies in the course of its operations, which may subject the Group to administrative proceedings and unfavourable decrees that result in financial losses and/or a delay in the construction or completion of the Group's projects. In the event that such disputes are not resolved amicably or claims are successfully made against the Group and the Group is required to compensate the claimants, its business, financial condition, results of operations and prospects may be materially and adversely affected.

***The Group may be adversely affected by a compulsory acquisition of property by governmental authorities***

The laws of the jurisdictions in which the Group operates allows, to various degrees, their respective governments to compulsorily acquire land and/or property under certain circumstances and the value of compensation as a result of such compulsory acquisition may be less than the value of the acquired land and/or property.

In the case of Singapore, the Land Acquisition Act, Chapter 152 of Singapore, *inter alia*, gives the Singapore Government the power to acquire any land in Singapore:

- for any public purpose;
- where the acquisition is required by any person, corporation or statutory board, for any work or undertaking which, in the opinion of the relevant minister, is of public benefit or of public utility or in the public interest; or
- for any residential, commercial or industrial purpose.

In determining the amount of the compensation to be awarded pursuant to any such compulsory acquisition, the following matters, *inter alia*, would be considered:

- the market value of the property as at the date of the publication in the Singapore Government Gazette of the notification of likely acquisition of the land (provided that within six months from the date of publication of such notification, a declaration of intention to acquire is made by publication in the Singapore Government Gazette); or
- the market value of the property as at the date of publication in the Singapore Government Gazette of the declaration of intention to acquire in any other case.

Accordingly, if the market price of the property or part thereof which is acquired is greater than the market values referred to above, the compensation paid in respect of the property will be less than its market value. In such event, such compulsory acquisitions would have a material and adverse effect on the Group's business, financial condition, results of operations and prospects.

***The Group is subject to risks relating to the quality and extent of the title to or interests in the properties in its portfolio***

The quality, nature and extent of the title to the land and properties in the Group's portfolio of property interests varies, depending on a number of factors, *inter alia*:

- the country and location of the property;
- the laws and regulations applicable to the property;
- the stage of development of the property;
- the extent to which the contract pursuant to which the property interest was acquired has been performed, the extent to which the terms and conditions thereunder have been complied with, and the amount of the purchase consideration which has been paid;
- the extent of compliance by the Group or any other relevant party (including previous owners, the vendor of the property and the entity in which the Group has invested that has acquired or is acquiring the property) with all relevant laws and regulations relating to the ownership, use, sale, development or construction of the property;
- the manner under which the interest in the property is held, whether through a joint venture, a development agreement, under a master lease, an option to purchase, a sale and purchase agreement, through asset-backed securities or otherwise;
- in the case where the property interests are leasehold interests, the extent of compliance by the Group or any other relevant party (including previous lessees or lessors, the vendor of the property and the entity in which the Group has invested that has acquired or is acquiring the property) with the terms and conditions of the state or head lease or any other document under which the title of the property is derived; and
- the capacity, power, authority and general creditworthiness of the counterparties to the contractual and other arrangements through which the Group has acquired its interest in the property.

The properties in the Group's portfolio are held through different types of interests. As some of the Group's property interests are derived through contractual arrangements, these property interests are subject to, and dependent on, the legality, validity, binding effect and enforceability of the contract, the performance and observance of the terms and conditions set out in the contract by the parties thereto and the capacity, power, authority and creditworthiness of such parties, the fulfilment of any conditions precedent to the parties' obligations under the contract, and compliance by the parties with all relevant laws and regulations relating to the sale, development and construction of the property. For instance, some of the contractual arrangements provide that title to the underlying land and/or buildings will only be issued when the necessary governmental and regulatory approvals, such as approvals for acquisition or development, the issue of title or strata title documentation, or change of land use certificates, among others, are obtained. In other cases, the contractual arrangements are subject to conditions precedent, such as full payment of the purchase price, completion of construction, environmental remediation and execution of other documents.

There can be no assurance that the legality, validity, binding effect and enforceability of the contractual arrangements from which the Group derives its property interests will not be challenged, that the conditions precedent stated in the contract will be fulfilled or that the parties to the contract (including the entities in which the Group has invested that may be parties to the contract) will perform and comply with the terms thereof and will not have disagreements among each other in respect of the interpretation and implementation of the contract. If any of these events occur, the Group's interest in the property and the value thereof may be adversely affected.

The interests in some of the properties in the Group's portfolio are derived from arrangements where a deposit has been paid by the Group or by an entity in which it has invested, in anticipation of executing a sale and purchase agreement to acquire the relevant land and/or buildings. The execution of a sale and purchase agreement may be subject to regulatory approvals and agreement among the parties to the terms of the sale and purchase agreement, and other conditions. In the event a sale and purchase agreement is not executed, the deposit may be returned or may be forfeited, which may have an adverse effect on the Group's business, financial condition, results of operations and prospects.

The limitations described above on the quality, nature and extent of the title to the land and properties in the Group's portfolio of property interests impact its ability to deal with and have control over its property interests, and the conditions under which it may own, develop, operate or manage the property. There can be no assurance that the quality, nature and extent of the title to the Group's property interests will not be challenged or adversely impacted or will not adversely affect its ability to deal with its property interests and in turn the value of its investment in these properties.

Some of the properties in which the Group has interests are currently located in various countries, and the extent and quality of title depends on the laws and regulations of the relevant jurisdiction. Certain of these jurisdictions may have an immature property law and lack a uniform title system. As such, there is potential for dispute over the quality, existence and nature of the title purchased from previous landowners or property owners. In addition, the Group may be engaged in protracted negotiations each time it acquires land or property, which may result in purchases of property (and thereby the obtaining of title) being delayed or not proceeding in the event that negotiations are unsuccessful. In the event the Group is not able to obtain, or there is a delay in obtaining, clear title to the land and properties it has an interest in, or its claim to title is the subject of a dispute, the Group's business, financial condition, results of operations and prospects may be adversely affected.

***The Group may encounter problems with its joint ventures that may adversely affect its business***

The Group has, and expects in the future to have, interests in joint venture entities in connection with its property development plans. In addition, a number of the Group's property interests, particularly in the PRC, are held through joint venture entities. Joint ventures often have shared control over the operation of the joint venture assets, although in the case of the Group's property interests in the PRC, the Group generally holds a minority interest in the relevant PRC joint venture entities. Accordingly, the Group may not have a sufficient level of control over these property interests and such joint venture entities may not impose the same standards of financial control, management and supervisory techniques as the Group and decision-making in respect of these joint ventures will often require the cooperation of local partners. Alternatively, joint venture partners could take actions binding on the joint venture without the Group's consent. The Group's joint venture partners may also:

- have economic or business interests or goals that are inconsistent with that of the Group;
- take actions contrary to the Group's instructions, requests, policies or objectives;
- be unable or unwilling to fulfil their obligations;
- have financial difficulties; or
- have disputes with the Group as to the scope of their responsibilities and obligations.

Any of these and other factors may adversely affect the performance of the Group's joint ventures, which may in turn materially and adversely affect the Group's business, financial condition, results of operations and prospects.

***The Group is exposed to the credit risks of its customers***

The Group's financial performance and position are dependent, to a certain extent, on the creditworthiness of its customers. If there are any unforeseen circumstances affecting the ability or willingness of the Group's customers to pay the Group, the Group may experience payment delays or non-payment. In any of such events, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

***The Group is subject to exchange rate fluctuations and exchange controls***

The Group borrows and transacts in the domestic currency of the jurisdiction in which it operates in, and does not hedge against the foreign exchange risk resulting from such foreign currency transactions. Thus, it is subject to fluctuations in the value of the currencies of the countries in which it operates. The value of the Vietnamese Dong or Renminbi against the Singapore dollar and other currencies is affected by, *inter alia*, changes in Vietnam's or the PRC's political and economic conditions respectively. Any significant devaluation of the Vietnamese Dong or Renminbi may adversely affect the Group's cash flows, revenues, earnings and financial position, and the value of, and any dividends payable on, the shares in Singapore dollar terms. Some of the currencies may not be convertible or exchangeable or may be subject to exchange controls.

***The Group is subject to interest rate fluctuations***

The Group is subject to the effects of interest rate fluctuations on its borrowings from financial institutions. Some of the Group's existing borrowings are on a floating rate basis, and the Group's future borrowings may also be on a floating rate basis. Consequently, the interest cost to the Group will be subject to fluctuations in interest rates.

Although the Group may enter into hedging transactions to mitigate the risk of such interest rate fluctuations, such hedging may not adequately cover the Group's exposure to interest rate fluctuations. As a result, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected by interest rate fluctuations.

An increase in interest rates in Singapore and/or any of the countries in which the Group operates may negatively impact the demand for the Group's residential and/or mixed-development units. For example, changes in monetary policies by central banks can have a negative impact on the real estate sector, particularly where such changes result in a rise in long-term interest rates. Higher interest rates may impact demand for the Group's residential units by making it more expensive and difficult for potential purchasers and/or tenants to secure financing, which can lead to a decrease in the demand for residential and/or mixed-development units. As property development and property investment contribute to a significant part of the Group's revenue, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected by higher interest rates.

***The Group is subject to risks of cyber security breaches***

Although the Group believes that it has put in place adequate security controls to monitor the risk of cyber security breaches and frequently updates its information technology systems and equipment to ensure proper control mechanisms are in place, the Group's information system is subject to attacks by hackers and also subject to disruptions to these systems, arising from events that are wholly or partially beyond the Group's control including, for example, computer viruses, cyber security breaches or electrical or telecommunication outages. The Group is dependent on its information technology systems (including its electronic booking/reservation systems) which could expose the Group to technical system flaws or failure and employee tampering or manipulation of those systems that could result in losses which may be difficult to detect. The occurrence of any such cyber security breaches could cause damage to the Group's brand names, business interruption losses and the Group may face significant compensation claims and/or government fines as a result. As a result, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected by the occurrence of any such cyber security breaches.



## **RISKS RELATING TO AN INVESTMENT IN THE SECURITIES**

### **Risks relating to an investment in the Securities generally**

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

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

- have sufficient knowledge and experience to make a meaningful evaluation of the relevant Securities, the merits and risks of investing in the relevant Securities and the information contained or incorporated by reference in this Information Memorandum or any applicable supplement to this Information Memorandum;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Securities and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Securities, including the Securities with principal, distribution or interest payable in one or more currencies, or where the currency for principal, distribution or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the relevant Securities and be familiar with the behaviour of any relevant indices and financial markets; and
- 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 of the Securities are complex financial instruments and such instruments may be purchased as a way to reduce risks or enhance yield with an understood, measured and appropriate addition of risks to the purchaser's overall portfolios. A potential investor should not invest in the Securities which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of such Securities and the impact this investment will have on the potential investor's overall investment portfolio.

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

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

#### ***Limited Liquidity of the Securities issued under the Programme***

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

The Securities may have no established trading market when issued, and one may never develop. Even if a market for the Securities does develop, there can be no assurance as to the liquidity or sustainability of such market. Therefore, investors may not be able to sell their Securities easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Securities that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Securities would generally have a more limited secondary market and more price volatility than conventional debt securities.



Liquidity may have a severely adverse effect on the market value of the Securities. Although the issue of additional Securities may increase the liquidity of the Securities, there can be no assurance that the price of such Securities will not be adversely affected by the issue in the market of such additional Securities.

Although an application will be made for the listing and quotation of any Securities to be issued under the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST, there is no assurance that such application will be accepted, that any particular Tranche of Securities will be so admitted or that an active trading market will develop. In addition, the market for investment grade debt has been subject to disruptions that have caused volatility in prices of securities similar to the Securities to be issued under the Programme. Accordingly, there is no assurance as to the development or liquidity of any trading market, or that disruptions will not occur, for any particular Tranche of Securities.

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

Trading prices of the Securities are influenced by numerous factors, including the operating results, the financial condition and/or the future prospects of the Issuer, the Guarantor, their respective subsidiaries and/or associated companies (if any), the market for similar securities, political, economic, financial and any other factors that can affect the capital markets, the industry, the Issuer, the Guarantor, their respective subsidiaries and/or associated companies (if any) generally. Adverse economic developments in Singapore as well as countries in which the Issuer, the Guarantor, their respective subsidiaries and/or associated companies (if any) operate or have business dealings, could have a material adverse effect on the business, financial condition or results of operations of the Issuer, the Guarantor, their respective subsidiaries and/or associated companies (if any).

Further, recent global financial turmoil has resulted in substantial and continuing volatility in international capital markets. Any further deterioration in global financial conditions could have a material adverse effect on worldwide financial markets, which may also adversely affect the market price of any Series or Tranche of Securities.

#### ***Investments in the Securities are subject to interest rate risk***

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

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

The Programme allows for the issuance of Securities that reference certain interest rates or other types of rates or indices which are deemed to be “benchmarks”, including LIBOR, EURIBOR or SIBOR, in particular with respect to certain Floating Rate Notes or Floating Rate Perpetual Securities where the reference rate may be LIBOR, EURIBOR, SIBOR or another such benchmark. The Pricing Supplement for the Securities will specify whether LIBOR, EURIBOR, SIBOR or another such benchmark is applicable.

Interest rates and indices which are deemed to be or used as “benchmarks” are the subject of recent international regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Security linked to or referencing such a benchmark.

More broadly, any of the international reforms or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. For example, the sustainability of the LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including as a result of regulatory reforms) for market participants to continue contributing to such benchmarks. On 27 July 2017, the United Kingdom 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 indicated that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. Similarly, The Association of Banks in Singapore has also proposed to discontinue certain tenors for SIBOR and to amend the methodology for determining SIBOR. 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 Securities linked to such benchmark. Such factors may have the following effects on certain benchmarks: (i) discourage market participants from continuing to administer or contribute to the benchmark; (ii) trigger changes in the rules or methodologies used in the benchmark or (iii) lead to the disappearance of the “benchmark”.

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 the benchmark could be eliminated entirely, or there could be other consequences that cannot be predicted. The elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions (as further described in Condition 5(VI) of the Notes and Condition 4(V) of the Perpetual Securities), or result in adverse consequences to holders of any securities linked to such benchmark (including but not limited to Floating Rate Securities or Securities whose interest or distribution rates are linked to LIBOR or any other such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Securities, the return on the relevant Securities and the trading market for securities based on the same benchmark.

The Terms and Conditions of the Notes and the Terms and Conditions of the Perpetual Securities provide for certain fallback arrangements in the event that a published benchmark, such as LIBOR, (including any page on which such benchmark may be published (or any successor service)) becomes unavailable, including the possibility that the rate of interest could be set by reference to a successor rate or an alternative rate and that such successor rate or alternative rate may be adjusted (if required) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark. Due to the uncertainty concerning the availability of successor rates and alternative rates and the involvement of an Independent Adviser acting in consultation with the Issuer, the relevant fallback provisions may not operate as intended at the relevant time.

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

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

### ***The Securities and the Guarantee are not secured***

The Securities and Coupons of all Series constitute direct, unconditional, unsubordinated (except in the case of Subordinated Perpetual Securities and the Coupons relating thereto) and unsecured obligations of the Issuer and shall at all times rank *pari passu* without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer. The payment obligations of the Guarantor under the Guarantee constitute direct, unconditional, unsubordinated (except in the case of Subordinated Perpetual Securities and the Coupons relating thereto) and unsecured obligations of the Guarantor and shall rank *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Guarantor.

Accordingly, on a winding-up or dissolution of the Issuer, and/or the Guarantor, the Securityholders will not have recourse to any specific assets of the Issuer or the Guarantor as security for outstanding payment or other obligations under the Securities and/or Coupons owed to the Securityholders and there can be no assurance that there would be sufficient value in the assets of the Issuer and/or the Guarantor, after meeting all claims ranking ahead of the Securities, to discharge all outstanding payment and other obligations under the Securities and/or Coupons owed to the Securityholders.

***The Guarantor may not fully hedge the currency risks associated with Securities denominated in foreign currencies***

The majority of the Guarantor's revenue is generally denominated in Singapore dollars and the majority of its operating expenses are generally incurred in Singapore dollars as well. As Securities issued under the Programme can be denominated in currencies other than Singapore dollars, the Guarantor's business, financial conditions and results of operations may be affected by fluctuations between the Singapore dollars and such foreign currencies in meeting the payment obligations under such Securities and there is no assurance that the Guarantor will be able to fully hedge the currency risks associated with such Securities denominated in foreign currencies.

***Investments in the Securities are subject to inflation risk***

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

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

The ability of the Issuer and the Guarantor to make payments in respect of the Securities may depend upon the due performance by the other parties to the Programme Agreement, the Trust Deed and the Agency Agreement of their obligations thereunder including the performance by the Trustee, the Principal Paying Agent, the Non-CDP Paying Agent, the CDP Transfer Agent, the Non-CDP Transfer Agent, the CDP Registrar, and the Non-CDP Registrar of their respective obligations. Whilst the non-performance of any relevant parties will not relieve the Issuer and the Guarantor of their respective obligations to make payments in respect of the Securities, the Issuer and the Guarantor may not, in such circumstances, be able to fulfill their respective obligations to the Securityholders and Couponholders.

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

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

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

***The Securities are subject to modification***

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

The terms and conditions of the Securities also provide that the Trustee may agree, without the consent of the Securityholders or Couponholders and at the expense of the Issuers, to (i) any modification of any of the provisions of the Trust Deed or any of the other Issue Documents (as defined in the Trust Deed) which in the opinion of the Trustee is of a formal, minor or technical nature, is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by Euroclear

and/or Clearstream, Luxembourg and/or CDP and/or any other clearing system in which the Securities may be held, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any of the other Issue Documents which is in the opinion of the Trustee not materially prejudicial to the interests of the Securityholders. Any such modification, authorisation or waiver shall be binding on the Securityholders and the Couponholders and, if requested by the Trustee, such modification shall be notified to the Securityholders as soon as practicable.

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

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

While the Securities are represented by one or more Global Securities or Global Certificates, the Issuer will discharge its payment obligations under the Securities by making payments to the common depositary, CDP or such other clearing system, as the case may be, for distribution to their accountholders or, to the Principal Paying Agent for distribution to the holders as appearing in the records of the relevant Clearing System, as the case may be. A holder of beneficial interest in the Global Securities or Global Certificates must rely on the procedures of the relevant Clearing System(s) to receive payments under the relevant Securities. The Issuer bears no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Securities or Global Certificates.

Holders of beneficial interests in the Global Securities and Global Certificates will not have a direct right to vote in respect of the relevant Securities. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System(s) to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Securities and the Global Certificates will not have a direct right under the Global Securities and the Global Certificates to take enforcement action against the Issuer or the Guarantor in the event of a default or an enforcement event under the relevant Securities but will have to rely upon their rights under the Trust Deed.

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

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

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

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

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

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

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

***Securities may be issued at a substantial discount or premium***

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

***Commencement of proceeding under applicable Singapore insolvency or related laws may result in a material adverse effect on the Securityholders***

There can be no assurance that the Issuer and/or the Guarantor will not become bankrupt or insolvent, or the subject of judicial management, schemes of arrangement, winding-up or liquidation orders or other insolvency related proceedings or procedures. In the event of an insolvency or near insolvency of the Issuer and/or the Guarantor, the application of certain provisions of Singapore insolvency and related laws may have a material adverse effect on the Securityholders. Without being exhaustive, below are some matters that could have a material adverse effect on the Securityholders.

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



Further, Securityholders may be made subject to a binding scheme of arrangement where the majority in number representing 75% in value of creditors and the court approve such scheme. In respect of company-initiated creditor schemes of arrangement, recent amendments to the Companies Act in 2017 have introduced cram-down provisions for where there is a dissenting class of creditors. The court may notwithstanding a single class of dissenting creditors approve a scheme provided an overall majority in number representing 75% in value of the creditors meant to be bound by the scheme have agreed to it and provided that the scheme does not unfairly discriminate and is fair and equitable to each dissenting class and the court is of the view that it is appropriate to approve the scheme. In such scenarios, Securityholders may be bound by a scheme of arrangement to which they may have dissented.

Further to the amendments that took effect on 23 May 2017 (some of which have been highlighted above), the Insolvency, Restructuring and Dissolution Bill (the “**IRD Bill**” or as passed, the “**IRD Act**”) was passed in Parliament on 1 October 2018, but is not yet in force. The IRD Act includes a prohibition against terminating, amending or claiming an accelerated payment or forfeiture of the term under, any agreement (including a security agreement) with a company that commences certain insolvency or rescue proceedings (and before the conclusion of such proceedings), by reason only that the proceedings are commenced or that the company is insolvent. The extent to which the provisions in the IRD Act will impact the Programme and transactions contemplated under the Programme (if at all) will depend on the extent to which such transactions will be exempted from the application of such provisions. There is no certainty as to whether the transactions contemplated under this Programme will fall within such exemptions.

***The Securities may be subject to optional redemption by the Issuer***

An optional redemption feature is likely to limit the market value of the Securities. During any period when the Issuer may elect to redeem the Securities issued by it, the market value of such Securities generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period. The Issuer may be expected to redeem any or all of the Securities when its cost of borrowing is lower than the interest rate on the Securities. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate that is as high as the interest rate on the Securities being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

***The Issuer’s ability to comply with its obligation to repay the Securities is dependent upon the earnings of, and distributions by, the members of the Group and future performance of the Group***

The Issuer’s ability to comply with its obligation to repay the Securities will depend on the earnings of the Group and the distribution of funds amongst members of the Group, primarily in the form of dividends. Whether or not the members of the Group can make distributions to the Issuer will depend on distributable earnings, cash flow conditions, restrictions that may be contained in the debt instruments of its members, applicable law and other arrangements. These restrictions could reduce the amount of distributions that the Issuer receives from its members, which would restrict the Group’s ability to fund its business operations and the Issuer’s ability to comply with its payment obligations under the Securities.

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



## **RISK RELATING TO THE NOTES**

### ***Investments in the Notes may be subject to Singapore taxation***

The Notes to be issued from time to time under the Programme during the period from the date of this Information Memorandum to 31 December 2023 are intended to be “qualifying debt securities” for the purpose of the ITA subject to the fulfilment of certain conditions more particularly described in the “Taxation - Singapore Taxation” section of this Information Memorandum.

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

## **RISKS RELATING TO THE PERPETUAL SECURITIES**

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

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

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

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

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

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

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

### ***There are limited remedies for default under the Perpetual Securities***

Any scheduled distribution will not be due if the Issuer elects not to pay all or a part of that distribution pursuant to the Conditions of the Perpetual Securities. Notwithstanding any of the provisions relating to non-payment defaults, the right to institute Winding-Up (as defined in Condition 9(a) of the Perpetual Securities) proceedings of the Issuer and/or the Guarantor, and/or prove in the winding up of the Issuer and/or the Guarantor, and/or claim in the liquidation of the Issuer and/or the Guarantor is limited to circumstances where payment under the Perpetual Securities has become due and the Issuer fails to make such payment (in the case of any principal ) when due and (in the case of any distribution or any other amount payable by the Issuer under the Perpetual Securities (other than principal) for a period of seven business days after the date on which such payment is due. The only remedy against the Issuer and/or the Guarantor available to the Trustee or, where the Trustee has failed to proceed against the Issuer and/or the Guarantor as provided in the Conditions of the Perpetual Securities, to any Perpetual Securityholder for recovery of amounts in respect of the Perpetual Securities following the occurrence of a payment default after any sum becomes due in respect of the Perpetual Securities will be instituting proceedings for the Winding-Up and/or proving in such Winding-Up and/or claiming in the liquidation of the Issuer and/or the Guarantor in respect of any payment obligations of the Issuer arising from the Perpetual Securities.

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

The Issuer may raise additional capital through the issue of other securities or other means. There is no restriction, contractual or otherwise, on the amount of securities or other liabilities which the Issuer may issue or incur and which rank senior to, or *pari passu* with, the Perpetual Securities. Similarly, subject to compliance with the Conditions of the Perpetual Securities, the Issuer may redeem securities that rank junior to, *pari passu* with, or senior to the Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities or the redemption of any such securities may reduce the amount (if any) recoverable by holders of Perpetual Securities on a Winding-Up of the Issuer or the Guarantor, 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 Subordinated Guarantee are subordinated obligations***

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

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

***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 IRAS for the purposes of the ITA, or whether distribution payments made under the Relevant Tranche of the Perpetual Securities will be regarded by IRAS as interest payable on indebtedness for the purposes of the ITA or whether the tax concessions available for qualifying debt securities under the qualifying debt securities scheme (as set out in the section “Taxation - Singapore Taxation” herein) 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, or the distribution payments made under the Relevant Tranche of the Perpetual Securities are not regarded by IRAS as interest payable on indebtedness for the purposes of the ITA or 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.

## ISSUER

### OVERVIEW AND HISTORY

The Issuer was incorporated as a private company limited by shares under the laws of the Republic of Singapore on 6 July 2007 under the name “Petals Development Pte. Ltd.”. It is a wholly-owned subsidiary of the Guarantor. The Issuer was renamed as Allgreen Treasury Pte. Ltd. on 20 September 2019 to act as a special purpose vehicle for the purposes of issuing the Securities under this Programme.

As at the Latest Practicable Date, the issued share capital of the Issuer is S\$500,000, comprising 500,000 ordinary shares, all of which are held by the Guarantor.

As at the Latest Practicable Date, the Board of the Issuer consists of two executive and two non-executive directors:

1. **Mr Teo Keng Chiong**, appointed as a Director on 24 September 2014;
2. **Mdm Kuok Oon Kwong**, appointed as a Director on 1 August 2017;
3. **Mr Lee Yew Kwung**, appointed as a Director on 27 September 2017; and
4. **Ms Thai Kum Foon**, appointed as a Director on 11 September 2019.

Please refer to pages 158 to 160 below for write-ups on the experiences and capabilities of the individual directors.

The current registered office of the Issuer is located at 1 Kim Seng Promenade #07-01, Great World City, Singapore 237994.

## GUARANTOR

### A. OVERVIEW AND HISTORY

The Guarantor is a property investment and property development company headquartered in Singapore.

Incorporated in Singapore under the name “Allgreen Investments Ltd” on 16 May 1986 as a public company, the Guarantor subsequently changed its name to “Allgreen Properties Limited” on 27 October 1988 and was listed on the Singapore Stock Exchange (now known as the Singapore Exchange Securities Trading Limited) (the “**SGX-ST**”) in May 1999. The Guarantor was delisted in August 2011 through a compulsory acquisition by Brookvale Investments Pte. Ltd., which is wholly owned by the Kuok group of corporations (the “**Kuok Group**”).

The Kuok Group is a multinational conglomerate with operations in the commodities, hospitality, logistics, maritime and real estate sectors. Founded in 1949 as a business trading rice, sugar and wheat flour, the Kuok Group has since grown into one of Asia’s most diversified and dynamic conglomerates. The Kuok Group has businesses spanning six continents which are organised under three investment holding companies, namely Kuok (Singapore) Limited in Singapore, Kerry Holdings Limited in Hong Kong and Kuok Brothers Sdn Bhd in Malaysia.

As the property arm of the Kuok Group in Singapore, the Group aims to be a premier real estate company, a choice employer and a preferred business partner in Singapore and the jurisdictions in which it operates. The Group is one of the leading privately held real estate groups in Singapore, with a portfolio comprising development, investment and hospitality properties. Since its incorporation, the Group has developed and handed over approximately 11,000 residential units across 53 projects in Singapore. The Group also has a presence across the region in various cities in PRC and Vietnam.

As at the financial year ended 31 December 2018, the Group’s total assets was approximately S\$5.2 billion, total equity was approximately S\$2.8 billion, revenue was S\$297 million and net profit after tax was S\$95 million. The Group’s net asset value per share as at 31 December 2018 was S\$1.55 compared to S\$1.50 as at 31 December 2017. The Group’s net gearing ratio was 0.59 times as at 31 December 2018 compared to 0.23 times as at 31 December 2017. This increase was mainly due to additional borrowings raised to fund the collective sales of Royalville and Crystal Tower as well as the acquisition of the URA site at Fourth Avenue during the financial year.

#### Key Milestones

<b>1986</b>	The Guarantor was incorporated in May 1986.
<b>1995</b>	Tanglin Mall, a three-storey shopping complex with four basement levels targeted at the niche upmarket segment, and the 547-room Traders Hotel (now known as Hotel Jen) commenced operations.
<b>1997</b>	Great World City, a mixed property development comprising of two 18-storey office towers connected by a four-storey office podium, a four-storey retail mall and 304 serviced apartments operating under the business name “Great World Serviced Apartments” commenced operations.
<b>1999</b>	The Guarantor was listed on the SGX-ST in May 1999. The initial public offering attracted an over-subscription of 27.9 times for public shares and 17.5 times for placement shares. Shares reached S\$2.00 before closing at S\$1.73 on the first day of trading, 67% higher than the offer price, with a market capitalisation of S\$1.8 billion.

- 2001** Midpoint Properties Limited, a wholly-owned subsidiary of the Guarantor, established a S\$500 million Medium Term Note Programme in January 2001, jointly managed and arranged by Citicorp Investment Bank and Standard Chartered Bank.
- The Guarantor also established a S\$500 million Medium Term Notes Programme in June 2001, managed and arranged by the Hongkong and Shanghai Banking Corporation Ltd.
- The Guarantor was included in the Morgan Stanley Capital International (MSCI) Singapore Free Index in November 2001, one of the most widely tracked Singapore equity market indices among international fund managers.
- 2003** Great World Serviced Apartments embarked on a three-year long renovation programme costing S\$17 million. The renovation programme included the refurbishment of all its 304 apartments, creation of four deluxe penthouse suites, a new residents' lounge, additional indoor children's facilities and improvement works at the pool deck including a new covered pool bar.
- The Guarantor was included as one of the three new counters forming the benchmark Straits Times Index in March 2003.
- 2005** The Group won a Special Mention at the FIABCI Prix d' Excellence Award for its Queens development in June 2005. FIABCI is an international real estate federation which conducts an annual competition in recognition of world class real estate projects globally.
- The Group made its first overseas investment. Allgreen Properties (Shanghai) Pte. Ltd., a wholly-owned subsidiary of the Guarantor, entered into a joint venture in October 2005 with the subsidiaries of Shangri-La Asia Pte Ltd and Kerry Properties Limited, together with another external party, to establish a Sino-foreign equity joint venture company in Shanghai, to acquire and develop the Shanghai New International Expo Centre site.
- The site is located in Pudong, Shanghai, and is for a mixed-use development.
- 2007** The Group marked its first foray into Vietnam when Allgreen Properties (Vietnam) Pte. Ltd., a wholly-owned subsidiary of the Guarantor, entered into a joint venture with Phu My An Investment Construction Joint Stock Company in May 2007 to acquire a site located in District 2, Ho Chi Minh City.
- The site is strategically located in the prime residential An Phu Ward. The joint venture obtained its investment licence in November 2007.
- 2011** The Guarantor was delisted through a compulsory acquisition by Brookvale Investments Pte. Ltd. (wholly-owned by the Kuok Group) in August 2011.
- 2014** Traders Hotel Singapore was rebranded to Hotel Jen Singapore in September 2014, catering to a new 'Jeneration' of independently minded business and leisure travellers.
- The Hotel Jen brand is inspired by the virtual persona Jen, a professional hotelier who loves life, travel and the adventure of discovering new places.



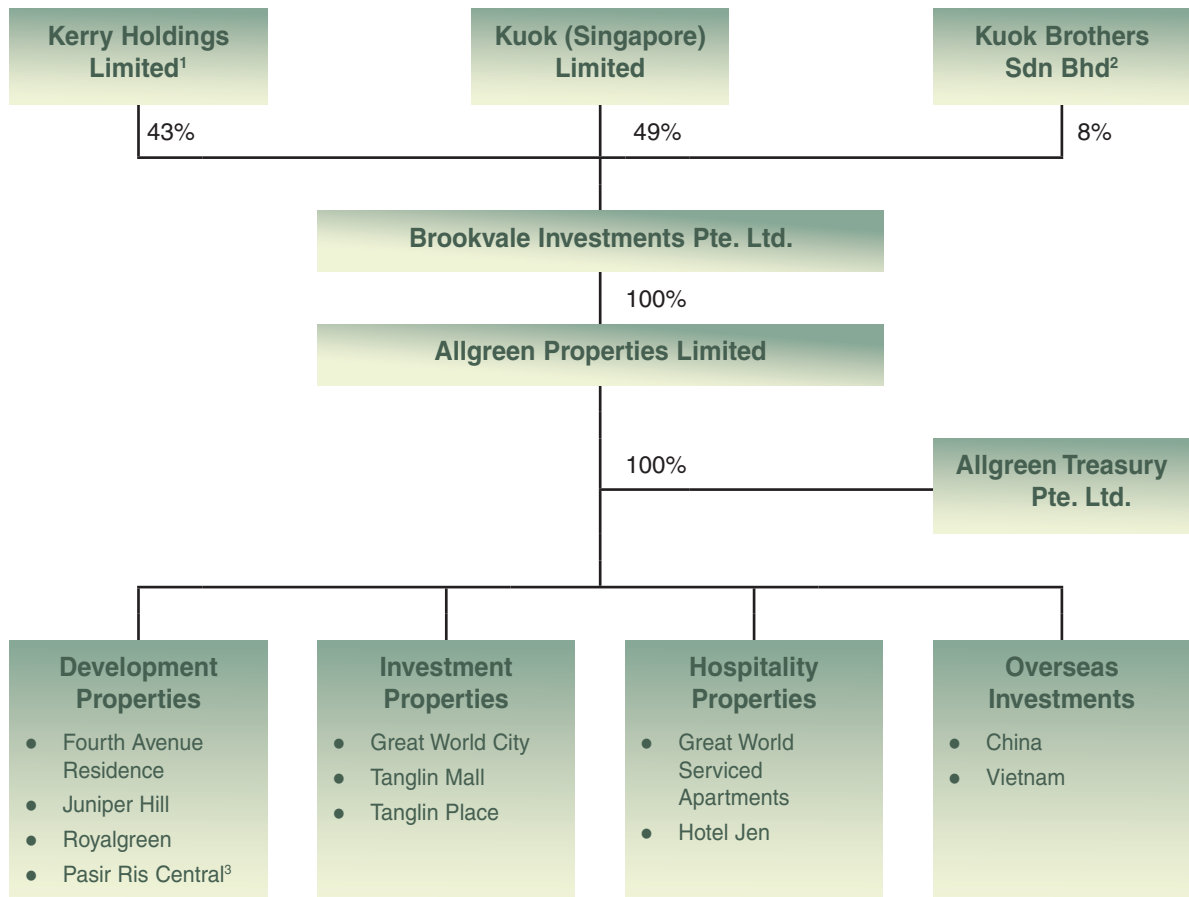
**2017** The Group acquired two freehold sites in Bukit Timah in December 2017, namely Royalville and Crystal Tower, for S\$477.94 million and S\$180.65 million respectively.

In the same month, the URA also awarded the tender for the Fourth Avenue government land sales programme site to the Group for S\$552.96 million.

**2018** Great World City (Retail) underwent its first major AEI at an estimated cost of S\$85 million in April 2018. The projected completion date for the AEI is third quarter of 2020. This will coincide with the opening of the Great World MRT Station along the Thomson-East Coast line in 2021.

**2019** In March 2019, the Housing & Development Board (“HDB”) awarded the tender for the mixed-use development site at Pasir Ris Central to Phoenix Residential & Phoenix Commercial at approximately S\$700 million, which are joint venture companies formed between the Guarantor and Kerry Properties Limited.

The shareholding structure of the Group as at 31 December 2018 is set out below.



<sup>1</sup> Shareholding held through wholly-owned subsidiary Alberty Holdings Limited.

<sup>2</sup> Shareholding held through wholly-owned subsidiary Trendfield Inc.

<sup>3</sup> Expected possession of site in Year 2021 after Pasir Ris temporary bus interchange is completed and in operation.

## **B. BUSINESS PRINCIPAL ACTIVITIES AND PORTFOLIO DETAILS**

The Group's business is organised into four main segments – development properties, investment properties, hospitality properties and overseas investments.

### *(i) Development Properties*

In the Singapore real estate market, the Group's portfolio of development properties consists of residential and mixed-use developments. The Group acquires land from private parties and participates in government land sale tenders selectively to maintain its landbank.

The Group undertakes detailed studies such as market research, feasibility studies and risk-return analysis before entering into a development project. As at the Latest Practicable Date, the Group's current development projects in Singapore are Fourth Avenue Residences, Juniper Hill and Royalgreen. These three District 10 sites acquired in the prime Bukit Timah area are close to MRT stations, pre-eminent schools such as Nanyang Primary School, Raffles Girls' Primary School, Singapore Chinese Girls' School, Methodist Girls' School, Anglo-Chinese School (Barker Road), Hwa Chong Institution and National Junior College. Further, the sites are close to popular places such as the Singapore Botanic Gardens, Dempsey Hill and Orchard Road.

Outside the Central Region, the Group has recently won the bid for a 3.8-hectare "white" site at Pasir Ris Central through its 70% stake in joint venture companies formed with Kerry Properties Limited, another Kuok Group company. The site, located adjacent to the Pasir Ris MRT station, will be developed into a mixed-use development, with both residential and commercial components, integrated with a bus interchange, polyclinic, town plaza and an underground link to an additional MRT station in the future on the planned Cross Island Line. Given that Pasir Ris is a mature estate, the development will enjoy close proximity to the various facilities found in a developed HDB town.

The following table summarises certain information with respect to the development properties of the Group as at the Latest Practicable Date:

Project Name	Location	Tenure	Type of development	Equity interest (%)	Site area (sqm)	Gross floor area (sqm)	Launch Date	No. of units	No. of units launched	No. of unit sold
<b>Singapore</b>										
Fourth Avenue Residences	Fourth Avenue	99 years	Residential	100	18,532	36,694	Jan 2019	476	182	103
Juniper Hill	Ewe Boon Road	Freehold	Residential	100	5,619	10,033	May 2019	115	52	10
Royalgreen	Anamalai Avenue	Freehold	Residential	100	16,182	24,920	Oct 2019	285	- <sup>1</sup>	- <sup>1</sup>
Pasir Ris Central <sup>2</sup>	Pasir Ris Central	99 years	Mixed-Use Development	70	38,003	95,008	-	490 <sup>3</sup>	-	-

<sup>1</sup> Royalgreen was launched in October 2019.

<sup>2</sup> Expected possession of site in Year 2021 after Pasir Ris temporary bus interchange is completed and in operation.

<sup>3</sup> Approximately 490 residential units.

(ii) *Investment Properties*

As at the Latest Practicable Date, the investment property portfolio of the Group in Singapore consists of Great World City, Tanglin Mall and Tanglin Place.

Great World City is a freehold integrated property development wholly-owned by the Group.

Great World City comprises two 18-storey office blocks and a four-storey office podium above a three-storey retail podium block with three basement levels. It boasts over 400,000 square feet of leasable area with more than 900 parking lots. Great World City has recently been awarded a 3R Award by the National Environment Agency (“NEA”) for 2019 in the Merit Awards category in recognition of its initiatives to contribute to waste minimisation, such as organising a zero waste pop-up event and a collaboration with NEA for an exhibition on food waste reduction and climate change. Key brands at Great World City include Cold Storage, Best Denki, UNIQLO, Meidi-Ya, Zara, Toys“R”Us, GV Grand Cineplex, Imperial Treasure, Kuriya Japanese Restaurant, Tim Ho Wan, Din Tai Fung and Hototogisu Ramen. It is located at the fringe of Orchard Road, Singapore’s main shopping district and is presently undergoing an AEI. The AEI will be completed in time to capitalise on the 2021 opening of the Great World MRT Station along the Thomson-East Coast line, which will be connected to Great World City via three access points.

Great World City’s AEI started in mid-April 2018 and is expected to be completed in July 2020. The interior walkways and escalators will be reconfigured to ease navigation and improve accessibility, while “dual-level retail pods”, the first of its kind in Singapore, will be created in the foyer to house creative retail concepts and act as a design feature. The mall’s F&B offerings will increase from the current 20% to 30% of net lettable space when completed. Refurbishments to the design and façade will see new landscapes introduced around the perimeter of Great World City, improved facilities and distinctive entrances to give customers a lively and vibrant shopping experience.

Tanglin Mall and Tanglin Place are jointly owned by the Group with another Kuok Group company, Shangri-la Hotel Limited. Both properties cater to the more affluent crowd located in the Tanglin area and are expected to benefit from the upcoming Thomson-East Coast Line.

Tanglin Mall is a leasehold one-stop lifestyle mall with three floors and four basement levels, and its anchor tenants include Tanglin Market Place (a gourmet supermarket cum bakery) and Tanglin Food Hall (a contemporary food court offering a selection of international cuisine). Tanglin Mall received the NEA’s 3R Award for 2019 in the Distinction Awards category in recognition of its initiatives to contribute to waste minimisation, such as organising an Eco Lifestyle Bazaar to promote awareness on recycling, refusing, reducing, reusing and repurposing.

Tanglin Place is a freehold four-storey building with two basement levels and is located at the junction of Tanglin Road and Tomlinson Road. Basement one and the first storey are for retail use, while the second to fourth storeys are for office use.

The table below summarises certain information with respect to the investment properties of the Group as at the Latest Practicable Date:

Name	Location	Tenure	Type of development	Equity interest (%)	Total net lettable area (sqm)	Valuation as at 31 December 2018 (S\$'Mil)
Great World City (Retail)	1 Kim Seng Promenade	Freehold	Retail	100	31,688	755
Great World City (Office)	1 Kim Seng Promenade	Freehold	Office	100	29,405	536
Tanglin Mall	163 Tanglin Road	Leasehold to 30 May 2090	Retail	55.4	13,674	323
Tanglin Place	91 Tanglin Road	Freehold	Retail/Office	55.4	3,193	65

(iii) *Hospitality Properties*

The Group's hospitality assets include Great World Serviced Apartments and a majority stake in Hotel Jen Tanglin Singapore.

Great World Serviced Apartments comprise a 34-storey block, with four basement levels, housing 304 serviced apartments with laundry and housekeeping services. Communal facilities provided within the development include tennis courts, swimming pools, a jacuzzi pool, a playground, saunas, a business centre, function rooms and a residents' lounge. It has a total net lettable area of 30,738 sqm.

Hotel Jen Tanglin Singapore is jointly owned by the Group with Shangri-la Hotel Limited. It is conveniently located in the vicinity of the Orchard Road shopping district and the Singapore Botanic Gardens. Guests are connected to Tanglin Mall, with a variety of high-quality shops, cafes, restaurants and supermarkets. Camden Medical Centre and Gleneagles Hospital are also within easy reach.

The table below summarises certain information with respect to the hospitality properties of the Group as at the Latest Practicable Date:

Name	Location	Tenure	Equity interest (%)	Total no. of rooms	Valuation as at 31 December 2018 (S\$'Mil)
Hotel Jen	163 Tanglin Road	Leasehold to 30 May 2090	55.4	565	495
Great World Serviced Apartments	1 Kim Seng Promenade	Freehold	100	304	441

(iv) *Overseas Investments*

The Group has entered into several joint ventures for the development of various mixed-use projects comprising offices, serviced apartments, retail shops and residential spaces in PRC and residential spaces in Vietnam. One of these notable joint ventures with Kerry Properties Limited is the mixed development known as Kerry Parkside in Pudong, Shanghai. Kerry Parkside is a multi-function development comprising a shopping mall, a five-star hotel, serviced residences and Grade-A offices. Located across from Century Park and twinned with Shanghai International Expo Centre, Kerry Parkside's excellent geographic location is unrivalled.

In PRC, the Group has interests in hospitality assets held through several joint ventures across different cities with Kerry Properties Limited and its group of companies. These hospitality assets include Kerry Hotel Pudong, Shanghai, which is located in the heart of Pudong, Shangri-La Hotel, Shenyang, which is located in the central business district area, Shangri-La Hotel, Tianjin, which is located in Tianjin's city centre offers majestic views of the Haihe River, and Shangri-La Hotel, Tangshan, which offers outstanding views across Tangshan city.

The table below summarises certain information with respect to the overseas investments of the Group as at the Latest Practicable Date:

**Investment Properties in PRC**

Name/Location	Tenure (years)	Type of development	Equity interest (%)	Total gross floor area (sqm)
Kerry Parkside	50	Office	16	94,995
	50	Commercial		49,318
Tianjin Kerry Centre Riverview Place	50	Commercial	31	82,493
Shenyang Kerry Centre – Phase II	40	Commercial	15	75,260
	40	Office		54,753
Shenyang Kerry Centre – Phase III <sup>1</sup>	40	Office	15	85,200
	40	Commercial		63,500

<sup>1</sup> Under development. Please refer to the table "Properties Held for Sale (Under Development)" for more information on the portion of the property that is held for sale.

**Hospitality Properties in PRC**

Name/Location	Tenure (years)	Type of development	Equity interest (%)	Total gross floor area (sqm)
Kerry Hotel Pudong, Shanghai	50	Hotel	16	74,197
Kerry Parkside	50	Serviced Apartment	16	34,907
Shangri-La Hotel, Tianjin	50	Hotel	31	72,374
Shangri-La Hotel, Shenyang	40	Hotel	15	61,087
Shangri-La Hotel, Tangshan	40	Hotel	25	55,249



### Properties Held for Sale (Completed) in PRC

Name/Location	Tenure (years)	Type of development	Equity interest (%)	Total gross floor area (sqm)
Tianjin Arcadia Court Phase 1	70	Residential	31	18,002
Shenyang Kerry Centre – Arcadia Court Phase 1	50	Residential	15	2,956
Shenyang Kerry Centre – Enterprise Square	40	Office	15	21,677
Shenyang Kerry Centre – Phase II, Arcadia Height Tower 2	50	Residential	15	2,586
Shenyang Kerry Centre – Phase II, Arcadia Height Tower 3	50	Residential	15	943
Qinhuangdao Habitat Phase I	70	Residential	10	24,575
	40	Commercial		5,409
Tangshan Arcadia Court	40	Commercial	25	3,943
Tangshan Parkside Place	40	Commercial	25	20,900

### Properties Held for Sale (Under Development) in PRC

Name/Location	Tenure (years)	Type of development	Equity interest (%)	Total gross floor area (sqm)
Tianjin Kerry Centre Phase II	70	Residential	31	29,580
	50	Office		80,000
	50	Commercial		10,000
Shenyang Kerry Centre – Phase II, Arcadia Height Tower 1	50	Residential	15	36,149
	40	Commercial		2,408
Shenyang Kerry Centre – Phase III	50	Residential	15	308,110
	40	Commercial		2,000
Qinhuangdao Habitat Phase II	70	Residential	10	289,490
	40	Commercial		16,371

As at the Latest Practicable Date, the Group also holds interests in two properties in Vietnam which are in the process of being divested. These divestments are subject to regulatory clearance by the relevant authorities. The table below summarises certain information with respect to these investments:

## Vietnam

Name/Location	Tenure	Type of development	Equity interest (%)	Site area (sqm)	Gross floor area (sqm)
Regency Park, District 2, Ho Chi Minh City	50-year leasehold from 19/11/07	Residential	65	15,591	93,736
Vung Tau City	50-year leasehold from 3/7/08	Residential	88.2	187,297	96,118

### C. COMPETITIVE STRENGTHS

The competitive strengths of the Group are set out below:

- *Strong parentage resulting in extensive support network and expertise*

Being part of the Kuok Group is one of the Group's key advantages over its competitors. Besides the Group, the Kuok Group has several other real estate companies operating in the region, notably, Kerry Properties Limited, a listed property development company in Hong Kong and is the Group's principal joint venture partner in PRC, Shangri-La Asia Limited listed in Hong Kong and PPB Group Berhad listed in Malaysia. As the real estate arm of the Kuok Group in Singapore, the Group enjoys support from the wider Kuok Group and is able to leverage on the latter's network to support its own operations in Singapore, Vietnam and PRC. Further, with the backing of the Kuok Group, there is a strong will on the part of the owners to drive the Group in new directions, as can be seen from its present management team with diversified and extensive experiences.

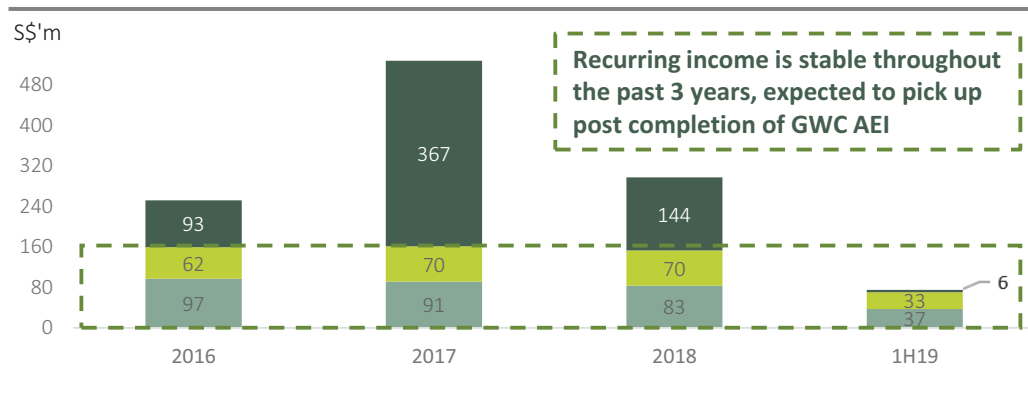
- *Experienced and committed management team*

The Board and senior management of the Group comprise individuals from a variety of practices and are experienced in their respective areas of expertise (see Section F below for a more comprehensive write-up on the management of the Guarantor). A diverse range of qualifications allows for a well-rounded strategic vision that takes into account the various aspects of the businesses of the Group. Having a seasoned Board and senior management team also allows the Group to capitalise on their collective experience and wisdom in making strategic decisions and identifying opportunities and market trends to ensure efficiency in the operations of the company and to maximise profitability.

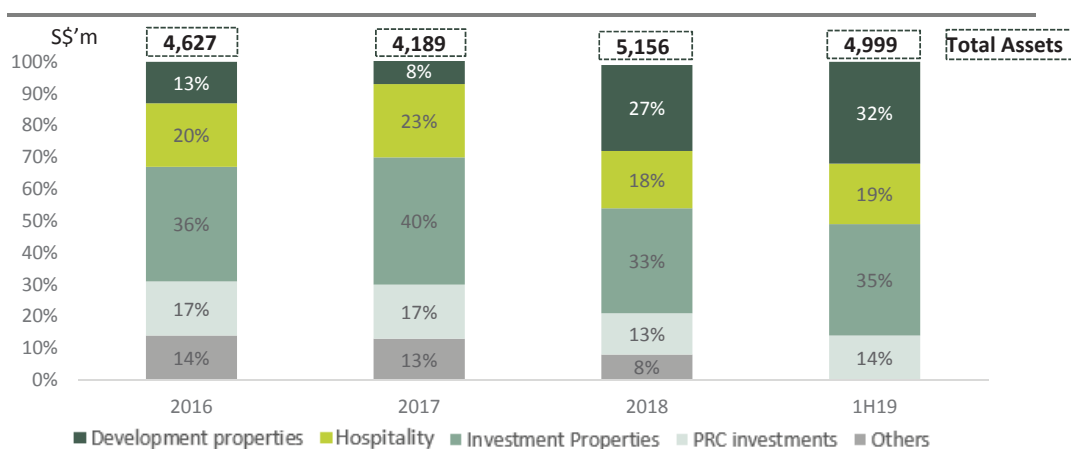
- *Diversified operating portfolio across sectors and jurisdictions*

As part of its diversification strategy, the Group operates in several sectors, including property development, property investment, property management and hospitality. Through geographical diversification into Vietnam and PRC markets, the Group is also able to spread its investments and assets across different jurisdictions with differing economic cycles. The diversification of jurisdictions and assets reduces the Group's dependency on any one jurisdiction or sector, therefore increasing the stability of any future income. The Group's diversification strategy can be observed with the following charts set out below.

## Strong Recurring Revenue Stream



## Asset Breakdown By Business Segments



- *Established track record and brand name*

The Group has grown to become one of the leading real estate groups in Singapore with a track record for designing and developing high quality developments. The Group has won multiple local and international awards for its developments and its designs in Singapore (see Section E below for the Group's list of awards). The Group's developments also enjoy high take-up rates, such as its newly launched Fourth Avenue Residences which saw a take-up rate of about 64% of its units in its Phase One launch. Beyond developing properties, the Group believes that it has also proven its capabilities in the management of its properties which enjoy high footfall due to high maintenance standards and continuous customer friendly initiatives, resulting in high occupancy rates.

- *Integration of financial and operational resources*

The Guarantor delisted from the Mainboard of the SGX-ST in August 2011. The privatisation of the Guarantor has allowed it and the Group to integrate its financial and operational resources with the rest of the Kuok Group and the necessary management flexibility to explore alternative opportunities. Particularly, the Guarantor's status as a private company also allows the Guarantor to take a longer-term view in its approach to any investments. Being a private company also allows the Guarantor to leverage on its ability to adapt its business strategies quickly to meet changing business environments and to execute any such new strategies swiftly.

## D. BUSINESS STRATEGY

The Group seeks to remain competitive in the market segments in which it operates and will continue to adopt the following strategies while keeping in mind the risks and the need for sustainability of its various businesses:

- *Renewed focus in the development of commercial and mixed-use properties*

The Singapore property market is presently facing a increased competition from property developers selling their new development properties. Further property cooling measures introduced in July 2018 have affected home buying sentiments. To adapt its business to this, the Group will leverage on its commercial expertise to look for more opportunities in the development of commercial and/or mixed-use properties. Such properties have the advantage of contributing to the Group's recurring income base once they are operational and can be enhanced over time to unlock further value. The recent successful bid for a site in Pasir Ris to be developed into a mixed-use development is a clear indication of the Group's abilities, focus and effort in this space.

- *Selective development of residential projects*

To adapt to the current cycle of the residential market in Singapore, the Group has adopted a more prudent and selective approach in acquiring land for residential development. In particular, the Group will look to acquire well located sites which are capable of creating value through the Group's capabilities and track record of building well designed and good quality homes. The three District 10 sites acquired in the prime Bukit Timah area are examples of good sites that the Group will be targeting going forward.

- *Organic growth through asset enhancement, lease management and positive rental reversions*

Rental income plays an important role in property investments. It is, therefore, important for the Group to sustain organic growth by ensuring healthy occupancy rates and good rental reversions for its investment properties. Part of this strategy includes developing and nurturing strong, long-standing relationships with tenants and this has enabled Great World City to enjoy a stable income stream from its anchor tenants who have continued to operate despite the major AEI works. There is also significant upside and value to be captured from AEIs, through the reconfiguration of existing retail properties to accommodate a larger tenant base, optimise space efficiency and providing a new retail experience for customers in order to increase customer footfall and ultimately achieve positive rental reversion rates and higher tenant retention.

The Group also intends to continue adopting pro-active measures to enhance the value of its investment properties, including continuing its strategy of engaging with its property managers to actively manage all leases, engaging with tenants to understand their concerns, ensuring a diverse range of tenants, incentivising lease renewals, maintaining healthy rental reversion, advertising the properties and engaging in promotional events to increase consumer footfall.

- *Targeted acquisition of investment properties*

To balance the cyclical nature of the residential sector and the long gestation period of development projects, the Group sees value in the acquisition of accretive investment properties (i.e. income-producing assets) in selected markets and in the right part of the cycle. These investment properties are lower risk in nature and contribute to recurring income immediately. These properties can also be sold for capital gains when market conditions are ripe, adding a profit source to the Group. To this end, the Group has been building up its capabilities, contacts and deal flow.

## E. AWARDS

The Group has been accorded the following awards:

	<b>Award</b>	<b>Awarding Organisation</b>	<b>Year of Award</b>
1	BCA Quality Excellence Award (Developer) Quality Champion (Gold)	BCA	2013 to 2019
2	BCA Universal Design Mark Awards GoldPlus (Design) for Fourth Avenue Residences	BCA	2019
3	BCA Quality Mark (QM) Excellent for Riversails	BCA	2017
4	BCA Universal Design Mark Awards Universal Design Certified for Riversails	BCA	2017
5	BCA Construction Excellence Awards Winner for Skysuites@ Anson	BCA	2017
6	FIABCI World Prix d'Excellence Awards Residential Low-Rise – Gold Winner for The Sorrento	FIABCI	2017
7	BCA Quality Mark (QM) Excellent for The Sorrento	BCA	2016
8	BCA Construction Excellence Awards Winner for Suites @ Orchard	BCA	2016

## F. MANAGEMENT OF THE GUARANTOR

### (i) Board of Directors

The Board of the Guarantor is made up of seven executive and non-executive Directors.

#### **Mdm Kuok Oon Kwong Chairman**

Mdm Kuok Oon Kwong was appointed as a Director on 1 October 1986 and currently holds the position of Chairman of the Board of the Guarantor.

A lawyer by training, Mdm Kuok is also a Director of Kuok (Singapore) Limited (and its various subsidiaries), a Director of Shangri-La Hotel Limited (Singapore) and the Managing Director of Shangri-La Hotels (Malaysia) Bhd. Mdm Kuok sits on the boards of Shangri-La Hotels Public Company Limited (Thailand) and Kuok Brothers Sdn Bhd as well.

Mdm Kuok is currently the Chairman of the National Healthcare Group Pte Ltd and the Yale-NUS College Governing Board. She sits on the boards of the National University of Singapore, MOH Holdings Pte Ltd and the Singapore Hotels Association, amongst others. She has served on several community service organisations, industry groups and government bodies, including Singapore Tourism Board, South West CDC, National Arts Council, Singapore Environment Council and National Environment Agency.

Mdm Kuok has received the Meritorious Service Medal, the Public Service Star (BBM) and the Public Service Medal (PSM) from the President of Singapore in 2015, 2005 and 1998 respectively. The Singapore Tourism Board honoured her with its Inaugural Award for Lifetime Achievement for Outstanding Contribution to Tourism in 2009 and its Special Recognition Award in 2004.

Mdm Kuok is an Advocate and Solicitor (Barrister-at-Law) from Gray's Inn, London.

**Mr Lee Yew Kwung**  
**Chief Executive Officer**

Mr Lee Yew Kwung was appointed as Chief Executive Officer on 25 September 2017.

Mr Lee has over 20 years of local and overseas experience in the property industry. Previously with CapitaLand, he was the Senior Vice President of Project Development and Management. He led the development and construction of more than 5,000 luxury and mass-market residential units. Prior to that, Mr Lee led project management in Housing Development Board and JTC International, where he was based in Suzhou for the China-Singapore Suzhou Industrial Park project. Mr Lee's passion in promoting high quality and environment standards was instrumental in helping CapitaLand clinch multiple quality, design and Green Mark awards.

Mr Lee graduated from the National University of Singapore with a Bachelor of Science (Building) (Honours) and also completed an executive program for Singapore Senior Government Officials and Business Representatives from Tsinghua University.

**Mr Teo Keng Chiong**  
**Executive Director**

Mr Teo Keng Chiong was appointed as a Director on 1 August 2014.

Mr Teo is responsible for project management, property and customer service management of residential properties. Before joining the Guarantor, he worked with the Housing and Development Board. He is also a member of the Singapore Institute of Surveyors and Valuers.

Mr Teo holds the Bachelor of Science (Building), Postgraduate Diploma in Building Science and Master of Science (Real Estate) degrees from the National University of Singapore.

**Mdm Suraya Bte Abdullah @ Kuok Suon Kwong**  
**Non-Executive Director**

Mdm Kuok Suon Kwong was appointed as a Director on 15 December 2015.

Prior to this appointment, Mdm Kuok held several posts with various organisations in Kuala Lumpur when she was residing there between 1981 to 2011.

Mdm Kuok was an Executive Director of Putrade Property Management Sdn Bhd, Malaysia, which manages Putra World Trade Centre, a major convention and exhibition venue in Kuala Lumpur. She also concurrently held the position as a member of the Board of Directors of Rashid Hussain Berhad, a financial services group.

Mdm Kuok is a member of the Board of Trustees of the Kuok Foundation, Malaysia and also serves as an advisor to various charitable and performing arts organisations.

Mdm Kuok holds a Bachelor of Social Science (Economics / Sociology) (Honours) from Bristol University, United Kingdom.



**Ms Yong Hsin Yue**  
**Non-Executive Director**

Ms Yong Hsin Yue was appointed as a Director on 13 March 2017.

Ms Yong is also the Managing Director of Kuok (Singapore) Limited. Prior to joining Kuok (Singapore) Limited, Ms Yong was the General Manager of Special Projects focusing on business development for Wilmar International Limited, an agribusiness listed on the SGX-ST. She started her career in investment banking where she spent 19 years working at Goldman Sachs in Singapore and in London. Her last role was as the head of the Investment Banking Division for South-East Asia with responsibilities for the operations in Singapore, Malaysia, Thailand, Indonesia, Philippines and Vietnam.

Ms Yong holds an MA in Politics, Philosophy and Economics from Worcester College, Oxford and an MBA from INSEAD.

**Mr Simon Ho**  
**Non-Executive Director**

Mr Simon Ho was appointed as a Director on 3 May 2017.

Prior to that, Mr Ho was the Chief Executive Officer of CapitaMall Trust Management Ltd, the manager of CapitaLand Mall Trust, the first and largest listed Singapore REIT at that time. Mr Ho has over 25 years of experience in real estate investment and management and was responsible for managing the investment, development and operations of retail properties in Singapore, the PRC, Malaysia, Japan and India. Prior to his stint in CapitaMalls Asia Ltd, Mr Ho was Senior Vice-President of Investment and Operations at different stages of his career in The Ascott Group, the world's largest serviced residence owner and operator.

Mr Ho is also currently an independent director in the following companies: Frasers Centrepoint Management Ltd (the manager of Frasers Centrepoint Trust), Frasers Hospitality International Ltd and ALPS Pte Ltd (a subsidiary of the Ministry of Health Holdings Ltd).

Mr Ho holds a Master of Science (Real Estate) and a Bachelor of Science (Estate Management) (Honours) from the National University of Singapore.

**Ms Thai Kum Foon**  
**Non-Executive Director**

Ms Thai Kum Foon was appointed as a Director on 30 July 2018.

Ms Thai is the Group Chief Financial Officer of the Kuok (Singapore) Limited Group and a director of Kuok (Singapore) Limited. Prior to her current appointment as a director in Kuok (Singapore) Limited, Ms Thai was the Chief Financial Officer of Pacc Offshore Services Holdings Ltd, which is also part of the Kuok (Singapore) Limited Group. Throughout her career, Ms Thai has held senior roles in finance and corporate services in listed and multinational companies in the real estate and semi-conductor manufacturing industries. In particular, Ms Thai has held the position of Chief Financial Officer in several companies, including Straits Trading Company Limited and Jaya Holdings Limited and was a Finance Director with IM Flash LLC.

Ms Thai holds an Accountancy Degree from the National University of Singapore. Ms Thai is also a member of the Singapore Association of the Institute of Chartered Secretaries and Administrators, a fellow with the Institute of Singapore Chartered Accountants and CPA Australia.

(ii) Senior Management

**Mr Anson Lim**  
**Senior General Manager**  
**Residential Marketing and Sales**

Mr Anson Lim joined the Guarantor on 2 May 2018.

Mr Lim has over 25 years of experience in the real estate industry covering areas such as property valuation, marketing & sales of residential projects and acquisition of lands for property development business. Prior to joining the Guarantor, Mr Lim was with CapitaLand Singapore Limited as Vice President, Investment & Portfolio Management.

Mr Lim holds a Bachelor of Science (Estate Management) (Honours) from the National University of Singapore. He is a Licensed Valuer (Lands and Buildings) since 1996 and is also a member of the Singapore Institute of Surveyors and Valuers.

**Ms Eugenie Yap Mei Leng**  
**Senior General Manager**  
**Retail & Commercial**

Ms Eugenie Yap joined the Guarantor on 27 June 2017, providing strategic leadership and guidance to the retail/commercial teams in Singapore. As head of the retail and commercial team, she drives the asset enhancement of Great World City and the rejuvenation of Tanglin Mall and Tanglin Place.

Ms Yap has more than 25 years of leasing and centre management experience, with extensive involvement in asset enhancement of retail, commercial and mixed development projects in Singapore.

Prior to joining the Guarantor, she was General Manager of SPH Retail, overseeing a portfolio of 3 shopping malls – Paragon, Clementi Mall and Seletar Mall. Before SPH Retail, Eugenie spent more than 10 years in CapitaMalls Asia, where she successfully planned and executed major asset enhancement works for Raffles City, Bugis Junction, Bugis+ and IMM Mall.

**Mr Hong Hua Liang**  
**Senior General Manager**  
**Projects (Retail & Commercial)**

Mr Hong Hua Liang joined the Guarantor on 2 May 2017. A civil engineer by training, Mr Hong has over 26 years of construction and project management experiences in the real estate industry, with extensive involvement in development and refurbishment of retail, commercial and mixed development projects in Singapore, China and Southeast Asia. He was also involved in a number of feasibility studies which contributed to successful land acquisitions.

Prior to joining the Guarantor, Mr Hong was Head, Regional Projects in Keppel Land International Limited, and Assistant Vice President, Projects in CapitaMalls Asia Limited. He was stationed in Wuhan for 2 years as Regional Head, Projects (Central China).

Mr Hong holds a Master of Science in International Construction Management from Nanyang Technological University, Singapore and a Bachelor of Engineering (Civil) in Construction Engineering & Management from Tsinghua University, China. He is a member of the Society of Project Managers Singapore.

**Ms Lim Poh Hiang**  
**Financial Controller**

Ms Lim Poh Hiang joined the Guarantor from 1995 to 2006 and re-joined in July 2008.

Ms Lim has over 25 years of experience in the real estate industry and is responsible for overseeing the Group's finance functions, including corporate finance, risk management, taxation and capital management. From 2006 to July 2008, she was a Finance Manager of the property division of the F&N group. Prior to joining the Guarantor in 1995, she was an auditor with an international public accounting firm. She holds a Bachelor of Accountancy Degree (Honours) from the Nanyang Technological University and is a Chartered Accountant of Singapore.

**Mr Ong Jeun Jye**  
**Senior General Manager**  
**Investment & Asset Management**

Mr Ong Jeun Jye joined the Guarantor in August 2017.

Mr Ong has more than 12 years of experience in real estate investment, asset management and fund management. Prior to joining the Guarantor, he was with Mapletree Investments as Director, Investment & Asset Management where he was responsible for sourcing and executing development and direct investment opportunities in residential, office, retail and hospitality properties in South East Asia. Prior to Mapletree Investments, Mr Ong was with CapitaLand and in various roles spanning investment, asset management, business development and fund management. His last position in CapitaLand was Vice President, Regional Investment & Asset Management.

Mr Ong holds a Masters in Mechanical Engineering from the University of California, Berkeley, U.S.A. He is also a CFA, CAIA and FRM charterholder.

## SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following selected consolidated financial information of the Group for FY2016, FY2017, FY2018, 1H2018 and 1H2019 has been derived from the audited consolidated financial statements and the unaudited consolidated financial statements of the Group, and should be read in conjunction with such audited and unaudited consolidated financial statements, including the notes thereto. Potential investors should exercise caution when using such data to evaluate the Group's financial condition and results of operations.

The Group's consolidated financial statements as at and for the six months ended 30 June 2018 and 2019 have not been audited, reviewed or subjected to any other procedures by the auditors of the Group. In addition, such information was compiled for the internal use of the Group, and is not required to be published or otherwise made publicly available, or to conform to any accounting standard. There can be no assurance that if such financial statements had been audited or reviewed that there would be no change in the financial statements and that such changes would not be material or that such financial information has been prepared and presented on a basis consistent with the accounting policies normally adopted by the Group and applied in preparing the consolidated financial statements as at and for the year ended 31 December 2018. Consequently, such statements may not provide the same quality of information associated with financial information that has been subject to an audit or a full review. Potential investors must therefore exercise caution when using such data to evaluate the Issuer's financial condition, results of operations and results. As of the date of this Information Memorandum, the consolidated financial statements as at and for the year ended 31 December 2018 are the latest available audited or reviewed financial statements of the Group. Further, and for the foregoing reasons, such unaudited and unreviewed financial information may not be meaningful and are not a reliable indication of the future financial performance of the Group.

## CONSOLIDATED INCOME STATEMENTS

	(unaudited) <b>1H2019</b>	(unaudited) <b>1H2018</b> (restated <sup>1</sup> )	(audited) <b>FY2018</b>	(audited) <b>FY2017</b>	(audited) <b>FY2016</b>
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>REVENUE</b>	76,464	187,082	297,391	527,603	251,602
Cost of Sales	(27,688)	(98,370)	(145,181)	(322,482)	(102,991)
<b>GROSS PROFIT</b>	48,776	88,712	152,210	205,121	148,611
Other Income	4,711	4,631	9,413	13,418	39,202
Distribution and Selling Expenses	(5,863)	(5,811)	(14,707)	(6,908)	(8,040)
Administrative Expenses	(12,023)	(10,895)	(25,107)	(26,660)	(21,827)
Other Expenses	(9,301)	(12,105)	(24,375)	(33,982)	(26,042)
Finance Costs	(18,573)	(10,441)	(22,223)	(20,016)	(17,717)
Shares of Results of Associated Companies	12,635	7,908	24,114	50,538	36,732
<b>Profit before fair value changes on investments properties, financial derivatives and impairment in value of development properties</b>	20,362	61,999	99,325	181,511	150,919
Fair Value Gain on Investment Properties	–	–	18,001	23,533	27,259
Net Change in Fair Value of Derivative Financial Liabilities	–	–	(2,039)	(1,884)	–
Impairment in Value of Development Properties	–	–	–	(5,328)	–
<b>Profit before taxation</b>	20,362	61,999	115,287	197,832	178,178
Taxation	(5,315)	(10,118)	(20,366)	(25,659)	(20,897)
<b>Profit for the year</b>	15,047	51,881	94,921	172,173	157,281
<b>Profit attributable to:</b>					
Owner of the Company	13,040	48,018	87,553	153,785	133,622
Non-Controlling Interests	2,007	3,863	7,368	18,388	23,659
<b>Profit for the year</b>	15,047	51,881	94,921	172,173	157,281

<sup>1</sup> In March 2019, the IFRS Interpretations Committee (the "IFRSIC") issued an update on the decisions reached by the IFRSIC and concluded its views that borrowing costs relating to development properties that are ready for its intended sales (i.e. ready for launch) should not be capitalised and instead, be expensed when incurred. Following the update of the agenda decision by IFRSIC, the Group has ceased capitalisation of the borrowing costs relating to the development properties that are ready for its intended sales. For comparability purposes, the Group has restated comparatives for 1H 2018.

## CONSOLIDATED BALANCE SHEET

	(unaudited) <b>1H2019</b>	(unaudited) <b>1H2018</b> (restated <sup>1</sup> )	(audited) <b>FY2018</b>	(audited) <b>FY2017</b>	(audited) <b>FY2016</b>
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, Plant and Equipment	533,401	491,577	500,345	497,058	488,958
Investment Properties	2,120,000	2,102,000	2,120,000	2,102,000	2,077,000
Deposits	227,162	62,958	–	99,382	–
Other Assets	–	–	20,614	495	475
Associated Companies	659,177	695,522	662,874	692,130	704,858
	<u>3,539,740</u>	<u>3,352,057</u>	<u>3,303,833</u>	<u>3,391,065</u>	<u>3,271,291</u>
<b>Current Assets</b>					
Inventories	46	52	46	45	54
Development Properties	1,355,758	873,466	1,367,954	158,902	477,282
Trade Receivables	7,988	5,777	6,996	6,409	4,689
Other Receivables	46,568	48,082	44,698	41,981	112,190
Deposits	806	881	443	316	652
Prepayments	2,065	975	1,590	1,458	1,341
Cash and Cash Equivalents	45,916	45,252	430,396	589,308	759,219
	<u>1,459,147</u>	<u>974,485</u>	<u>1,852,123</u>	<u>798,419</u>	<u>1,355,427</u>
<b>Total Assets</b>	<u>4,998,887</u>	<u>4,326,542</u>	<u>5,155,956</u>	<u>4,189,484</u>	<u>4,626,718</u>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity Attributable to Owner of the Company</b>					
Share Capital	1,177,185	1,177,185	1,177,185	1,177,185	1,177,185
Reserves	183,398	194,359	187,192	196,139	204,682
Retained Earnings	1,119,549	1,066,187	1,106,896	1,019,343	1,365,574
	<u>2,480,132</u>	<u>2,437,731</u>	<u>2,471,273</u>	<u>2,392,667</u>	<u>2,747,441</u>
<b>Non-Controlling Interests</b>	<u>365,257</u>	<u>379,705</u>	<u>366,629</u>	<u>380,971</u>	<u>384,004</u>
<b>Total Equity</b>	<u>2,845,389</u>	<u>2,817,436</u>	<u>2,837,902</u>	<u>2,773,638</u>	<u>3,131,445</u>
<b>Non-Current Liabilities</b>					
Loans from Non-Controlling Interests of Subsidiary Companies	68,646	–	–	–	3,682
Long-Term Borrowings	907,929	1,289,802	2,086,532	1,186,500	1,212,750
Rental Deposits	13,740	11,023	10,658	12,136	13,029
Deferred Tax Liabilities	85,041	81,542	85,637	81,839	86,136
Derivative Financial Liabilities	3,923	1,884	3,923	1,884	–
	<u>1,079,279</u>	<u>1,384,251</u>	<u>2,186,750</u>	<u>1,282,359</u>	<u>1,315,597</u>



	(unaudited) <b>1H2019</b>	(unaudited) <b>1H2018</b> (restated <sup>1</sup> )	(audited) <b>FY2018</b>	(audited) <b>FY2017</b>	(audited) <b>FY2016</b>
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Current Liabilities</b>					
Trade Payables	67,754	53,709	64,592	58,937	61,714
Rental Deposits	9,447	9,472	11,774	8,587	8,789
Other Payables	8,345	5,050	6,588	3,925	6,693
Advances from Associate Companies	50	50	50	50	100
Borrowings	975,272	31,000	31,000	31,000	51,000
Provision for Taxation	13,351	25,574	17,300	30,988	51,380
	<b>1,074,219</b>	<b>124,855</b>	<b>131,304</b>	<b>133,487</b>	<b>179,676</b>
<b>Total Liabilities</b>	<b>2,153,498</b>	<b>1,509,106</b>	<b>2,318,054</b>	<b>1,415,846</b>	<b>1,495,273</b>
<b>Total Equity and Liabilities</b>	<b>4,998,887</b>	<b>4,326,542</b>	<b>5,155,956</b>	<b>4,189,484</b>	<b>4,626,718</b>
<b>Net Current Assets</b>	<b>384,928</b>	<b>849,630</b>	<b>1,720,819</b>	<b>664,932</b>	<b>1,175,751</b>
<b>Net Assets</b>	<b>2,845,389</b>	<b>2,817,436</b>	<b>2,837,902</b>	<b>2,773,638</b>	<b>3,131,445</b>

## FINANCIAL REVIEW

### 1H2019 vs 1H2018

For the six months ended 30 June 2019, the Group recorded a total revenue of approximately S\$76.5 million. This represents a 59% decrease from an approximately S\$187.1 million revenue recorded in the six months ended 30 June 2018. This decrease was largely due to lower contributions from development properties and partly due to lower revenue generated from Great World City's retail component due to the on-going asset enhancement initiative work.

1H2019 revenue from development properties was mainly attributable to the progressive sales recognized from Fourth Avenue Residences.

The Group recorded a net profit before tax of approximately S\$20.4 million in 1H2019, a decrease of 67% as compared to an approximate S\$62.0 million in 1H2018, primarily due to the lower profits from development properties.

The Group's share of profits of associated companies increased by 60% to approximately S\$12.6 million in 1H2019 from approximately S\$7.90 million in 1H2018. This was largely due to the completion of one of the residential towers of Arcadia Height in Shenyang, China in 1H2019 with the commencement of full revenue recognition for units sold and handed over to purchasers.

After tax and non-controlling interests, the Group's profit attributable to the shareholders for 1H2019 decreased by about 73% to approximately S\$13.0 million as compared to approximately S\$48.0 million in 1H2018.

The Group's net asset value per share as at 30 June 2019 was S\$1.56 as compared to S\$1.53 as at 30 June 2018. The Group's net gearing ratio was 0.65 times as at 30 June 2019 as compared to 0.45 times as at 30 June 2018. The increase in the Group's net gearing ratio was mainly due to additional borrowings raised to fund the acquisition of the En bloc sale of Royalville in July 2018.

### FY 2018 vs FY2017

For the full year ended 31 December 2018, the Group recorded a total revenue of approximately S\$297.4 million. This represents a 44% decrease from the S\$527.6 million revenue recorded in the previous year. This decrease was largely due to lower contributions from development properties.

FY2018 revenue from development properties was mainly due to units sold in Skysuites@Anson and Pavilion Park.

The Group recorded a net profit before tax of approximately S\$115.3 million in FY2018, a decrease of 42% as compared to approximately S\$197.8 million in FY2017 primarily due to the lower profits from development properties.

The Group's share of profits of associated companies decreased by 52% to approximately S\$24.1 million in FY2018 from approximately S\$50.5 million in FY2017. This was largely due to The Metropolis-Arcadia Court in Chengdu, China contributing approximately S\$6.0 million in FY2018 as compared to approximately S\$27.5 million in FY2017 as it has substantially recognized its revenue in full for Phase II of the development in FY2017.

After tax and non-controlling interests, the Group's current year profit attributable to the shareholders for FY2018 decreased by about 43% to approximately S\$87.6 million as compared to approximately S\$153.8 million in FY2017.

The Group's net asset value per share as at 31 December 2018 was S\$1.55 as compared to S\$1.50 as at 31 December 2017. The Group's net gearing ratio was 0.59 times as at 31 December 2018 as compared to 0.23 times as at 31 December 2017. This increase was mainly due to additional borrowings raised to fund the acquisition of En bloc sale of Royalville and Crystal Tower and URA's site at Fourth Avenue during the year.

### **FY2017 vs FY2016**

For the full year ended 31 December 2017, the Group recorded a total revenue of approximately S\$527.6 million. This represents a 110% increase from the S\$251.6 million revenue recorded in the previous year. This increase was largely due to higher contributions from development properties.

FY2017 revenue from development properties was mainly attributable to units sold in Skysuites@Anson, RV Residences and Pavilion Park.

The Group recorded a net profit before tax of approximately S\$197.8 million in FY2017, an increase of 11% as compared to approximately S\$178.2 million in FY2016. Despite the increase in gross profit of 38% over FY2016, net profit before tax increase by 11% partly due to the absence of one-off gain of approximately S\$25.6 million on disposal of investment interest in Million Palace Development Chengdu Co., Ltd in China.

The Group's share of profits of associated companies increased by 38% to approximately S\$50.5 million in FY2017 from S\$36.7 million in FY2016. This was largely due to residential units sold to date and handed over to purchasers in FY2017 from Phase II of The Metropolis-Arcadia Court in Chengdu, China.

After tax and non-controlling interests, the Group's profit attributable to the shareholders for FY2017 increased by 15% to approximately S\$153.8 million as compared to approximately S\$133.6 million in FY2016.

The Group's net asset value per share as at 31 December 2017 was S\$1.50 as compared to S\$1.73 as at 31 December 2016. The decrease was mainly due to a special dividend of 31.44 cents per share paid during the year. The Group's net gearing ratio was 0.23 times as at 31 December 2017 as compared to 0.16 times as at 31 December 2016.

### ***Changes in accounting policies***

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has:

- Changed its policy with regards to the recognition of borrowing costs and;
- Adopted all the new and revised standards which are effective for annual financial period beginning on 1 January 2019. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

### Recognition of borrowing costs

Before 1 January 2019, the Group capitalised borrowing costs incurred on development properties of which revenue was recognised on a percentage of completion method.

In March 2019, an interpretation was issued which concluded that borrowing costs relating to development properties that are ready for its intended sale (i.e. ready for launch) should not be capitalised and instead, be expensed when incurred. Following this update, the Group has ceased capitalisation of the borrowing costs relating to its development properties when the properties are ready for their intended sale.

Adjustments have been made to the borrowing costs and cost of sales for 1H2018, as borrowing costs capitalised after the point that the project is ready for its intended sale in the prior period, should have been recognised as expense in prior period.

### FRS 116 Leases

The Group has adopted FRS 116 *Leases* on 1 January 2019, using the modified retrospective approach. FRS 116 introduces a single, on-balance sheet lease accounting model on lessees. The rationale of the change is to better reflect the economic substance of lease transactions. It requires a lessee to recognise a right-of-use (“ROU”) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items.

The Group has not restated comparatives for the 2018 reporting period as permitted under the specific transition provisions in FRS 116. The Group applied the practical expedient to grandfather the definition of lease on transition. This means that FRS 116 will be applied to all contracts entered into before 1 January 2019 which previously have been identified as “operating leases” under the principles of FRS 17 *Leases*.

ROU asset and its corresponding lease liability are recognised at the date of which the leased asset is available for use by the Group. They are measured at the present value of the remaining lease payments, discounted using the Group’s incremental borrowing rate as at 1 January 2019.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The ROU asset is depreciated over the shorter of the asset’s useful life and the lease term on a straight-line basis.

In applying FRS 116 for the first time, the Group has used certain practical expedients permitted by the standard. On the adoption of FRS 116, the Group recognised ROU assets and the corresponding lease liabilities for the leases previously classified as operating leases. The Group is assessing the impact of the adoption and the assessment may be subject to changes arising from ongoing analysis.

## CAPITALISATION AND INDEBTEDNESS

### Capitalisation of the Guarantor

As at 30 June 2019, the Guarantor had an issued and paid-up share capital of S\$1,177.185 million consisting of 1,590,381,075 ordinary shares (excluding treasury shares).

The table below sets forth the consolidated capitalisation of the Guarantor as at 30 June 2019. This table should be read in conjunction with the consolidated financial statements and related notes appearing elsewhere in this Information Memorandum.

	As at 30 June 2019 <u>(\$'000)</u>
<b>Short-Term Borrowings (repayable within one year)</b>	
Short-term bank borrowings.....	975,272
Current portion of debt securities.....	0
<b>Total short-term borrowings.....</b>	<u>975,272</u>
<b>Long-Term Borrowings (repayable after one year)</b>	
Bank borrowings.....	907,929
Debt securities .....	0
<b>Total long-term borrowings .....</b>	<u>907,929</u>
<b>Total Borrowings .....</b>	<u><b>1,883,201</b></u>
<b>Total Equity</b>	
Issued and fully paid capital.....	1,177,185
Reserves .....	183,398
Retained Earnings.....	1,119,549
<b>Equity attributable to equity holders of the Guarantor .....</b>	<u>2,480,132</u>
<b>Non-controlling Interests.....</b>	<u>365,257</u>
<b>Total capitalisation .....</b>	<u><b>2,845,389</b></u>
<b>Total capitalisation and indebtedness .....</b>	<u><u><b>4,728,590</b></u></u>

## **USE OF PROCEEDS**

The net proceeds arising from the issue of the Securities under the Programme (after deducting issue expenses) will be used for the Group's general corporate purpose, including refinancing of borrowings, financing of potential acquisitions and business expansions, general working capital and capital expenditure, or such other purposes as may be specified in the relevant Pricing Supplement.

## CLEARING AND SETTLEMENT

### Clearance and Settlement under the Depository System

In respect of Securities which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities (“**Depository System**”) maintained by CDP. Securities that are to be listed on the SGX-ST may be cleared through CDP.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

In respect of Securities which are accepted for clearance by CDP, the entire issue of the Securities is to be held by CDP in the form of a global security or global certificate for persons holding the Securities in securities accounts with CDP (“**Depositors**”). Delivery and transfer of Securities between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors.

Settlement of over-the-counter trades in the Securities through the Depository System may be effected through securities sub-accounts held with corporate depositors (“**Depository Agents**”). Depositors holding the Securities in direct securities accounts with CDP, and who wish to trade Securities through the Depository System, must transfer the Securities to a securities sub-account with a Depository Agent for trade settlement.

CDP is not involved in money settlement between the Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payments of interest and distribution and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfers of interests in the Securities in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Principal Paying Agent or any other agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

### Clearance and Settlement under Euroclear and/or Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants, thereby eliminating the need for physical movements of certificates and any risks from lack of simultaneous transfer. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg each also deals with domestic securities markets in several countries through established depository and custodial relationships. The respective systems of Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems which enables their respective participants to settle trades with one another. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to other financial institutions, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.



A participant's overall contractual relations with either Euroclear or Clearstream, Luxembourg are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg and any applicable laws. Both Euroclear and Clearstream, Luxembourg act under those rules and operating procedures only on behalf of their respective participants, and have no record of, or relationship with, persons holding any interests through their respective participants. Distributions of principal with respect to book-entry interests in the Securities held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the Principal Paying Agent, to the cash accounts of the relevant Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

## TAXATION

*The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by IRAS and MAS in force as at the date of this Information Memorandum and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. These laws, guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Information Memorandum are intended or are to be regarded as advice on the tax position of any holder of the Securities or of any person acquiring, selling or otherwise dealing with the Securities or on any tax implications arising from the acquisition, sale or other dealings in respect of the Securities. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Securities and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Securities are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Securities, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Guarantor, the Arranger 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 IRAS regards each tranche of the Perpetual Securities as “debt securities” for the purposes of the ITA and that distribution payments made under each tranche of the Perpetual Securities will be regarded as interest payable on indebtedness and holders thereof may therefore enjoy the tax concessions and exemptions available for qualifying debt securities, provided that the other conditions for the qualifying debt securities scheme are satisfied. If any tranche of the Perpetual Securities is not regarded as “debt securities” for the purposes of the ITA, or any distribution payment made under any tranche of the Perpetual Securities is not regarded as interest payable on indebtedness or holders thereof are not eligible for the tax concessions under the qualifying debt securities scheme, the tax treatment to holders may differ. Investors and holders of any tranche of the Perpetual Securities should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of any tranche of the Perpetual Securities.*

### **Singapore Taxation**

#### **1. Interest and Other Payments**

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

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

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15.0% final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17.0%.

The applicable rate for non-resident individuals is currently 22.0%. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15.0%. The rate of 15.0% may be reduced by applicable tax treaties.

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

- (a) interest from debt securities derived on or after 1 January 2004;
- (b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and
- (c) prepayment fee, redemption premium 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, as the Programme as a whole is arranged by DBS Bank Ltd., which is a Financial Sector Incentive (Standard Tier) Company or Financial Sector Incentive (Capital Market) Company (as defined in the ITA) at such time, any tranche of the Securities (the “**Relevant Securities**”) issued as debt securities under the Programme during the period from the date of this Information Memorandum to 31 December 2023 would be qualifying debt securities (“**QDS**”) for the purposes of the ITA, to which the following treatment shall apply:

- (i) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Securities as MAS may require, and the inclusion by the Issuer in all offering documents relating to the Relevant Securities of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Securities is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Securities using the funds and profits of such person’s operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the “**Qualifying Income**”) from the Relevant Securities paid by the Issuer and derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Securities are not obtained from such person’s operation through a permanent establishment in Singapore, are exempt from Singapore tax;
- (ii) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Securities as MAS may require), Qualifying Income from the Relevant Securities paid by the Issuer and derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10.0% (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(iii) subject to:

- (aa) the Issuer including in all offering documents relating to the Relevant Securities a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Securities is not exempt from tax shall include such income in a return of income made under the ITA; and
- (bb) the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Securities as MAS may require,

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

Notwithstanding the foregoing:

- (A) if during the primary launch of any tranche of Relevant Securities, the Relevant Securities of such tranche are issued to fewer than four persons and 50.0% or more of the issue of such Relevant Securities is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Securities would not qualify as QDS; and
- (B) even though a particular tranche of Relevant Securities are QDS, if, at any time during the tenure of such tranche of Relevant Securities, 50.0% or more of such Relevant Securities which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from such Relevant Securities held by:
  - (I) any related party of the Issuer; or
  - (II) any other person where the funds used by such person to acquire such Relevant Securities are obtained, directly or indirectly, from any related party of the Issuer,

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

The term “**related party**”, in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

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

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

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

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

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

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

## **2. Capital Gains**

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

Holders of the Securities who apply or who are required to apply Singapore Financial Reporting Standard (“**FRS**”) 39, 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 Securities, irrespective of disposal, in accordance with FRS 39, FRS 109 or SFRS(I) 9 (as the case may be). Please see the section below on “Adoption of FRS 39, FRS 109 or SFRS(I) 9 for Singapore Income Tax Purposes”.

## **3. Adoption of FRS 39, FRS 109 or SFRS(I) 9 for Singapore Income Tax Purposes**

Section 34A of the ITA provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and “opt-out” provisions) to taxpayers who are required to comply with FRS 39 for financial reporting purposes. IRAS 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 ITA requires taxpayers who comply or who are required to comply with FRS 109 or SFRS(I) 9 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions. IRAS has also issued a circular entitled “Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments”.

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

## **4. Estate Duty**

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

## 5. Foreign Account Tax Compliance Act 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. Each of the Issuers may be a foreign financial institution for these purposes. A number of jurisdictions (including Singapore) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes.

Certain aspects of the application of these rules to securities such as the Securities, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on securities 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 securities 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 that are not distinguishable from previously issued Securities are issued after the expiration of the grandfathering 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, no person will be required to pay additional amounts as a result of the withholding.

Securityholders should consult their own tax advisers regarding how these rules may apply to their investment in the Securities.



## **SUBSCRIPTION, PURCHASE AND DISTRIBUTION**

The Programme Agreement provides for Securities to be offered from time to time through one or more Dealers. The price at which a Series or Tranche will be issued will be determined prior to its issue between the Issuer and the relevant Dealer(s). The obligations of the Dealer(s) under the Programme Agreement will be subject to certain conditions set out in the Programme Agreement. Each Dealer (acting as principal) will subscribe or procure subscribers for Securities from the Issuer pursuant to the Programme Agreement.

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

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Dealers or any affiliate of the Dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Dealer or its affiliate on behalf of the Issuer in such jurisdiction.

In connection with the issue of any Tranche of Securities, such Securities, when issued, may not have a market. The Dealer or Dealers (if any) may advise the Issuer and the Guarantor that they intend to make a market in such Securities as permitted by applicable law. They are not obligated, however, to make a market in the Securities and any market-making may be discontinued at any time at their sole discretion. Accordingly, no assurance can be given as to the development or liquidity of any market for such Securities.

The Arranger, the Dealers or any of their respective affiliates may purchase Securities for its own account or enter into secondary market transactions or derivative transactions relating to the Securities, including, without limitation, purchase, sale (or facilitation thereof), stock borrowing or credit or equity-linked derivatives such as asset swaps, repackaging and credit default swaps, at the same time as the offering of the Securities. Such transactions may be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Securities to which this Information Memorandum relates (notwithstanding that such selected counterparties may also be a purchaser of the Securities). As a result of such transactions, the Arranger, the Dealers or any of their respective affiliates may hold long or short positions relating to the Securities.

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

Accordingly, references herein to the Securities being “offered” should be read as including any offering of the Securities to 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.

While the Arranger, the Dealers and/or any of their respective affiliates have policies and procedures to deal with conflicts of interests, any such transactions may cause the Arranger, the Dealers or any of their respective affiliates or its clients or counterparties to have economic interests and incentives which may conflict with those of an investor in the Securities. The Arranger, the Dealers or any of their respective affiliates may receive returns on such transactions and have no obligations to take, refrain from taking or cease taking any action with respect to any such transactions based on the potential effect on a prospective investor in the Securities.

### **United States**

The Securities and the Guarantee have not been and will not be registered under the Securities Act, and the Securities may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in transactions not subject to the registration requirements of Regulation S of the Securities Act (“**Regulation S**”). Terms used in this paragraph have the meanings given to them by Regulation S.

The 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, as amended, and regulations thereunder.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Programme Agreement, it will not offer, sell or deliver the Securities, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of an identifiable tranche of which such Securities are a part, as determined and certified to the Principal Paying Agent by such Dealer (or, in the case of an identifiable tranche of Securities sold to or through more than one Dealer, by each of such Dealers with respect to Securities of an identifiable tranche purchased by or through it, in which case the Principal Paying Agent shall notify such Dealer when all such Dealers have so certified), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Securities during the distribution compliance period a confirmation or other notice setting out the restrictions on offers and sales of the Securities within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

The Securities are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering, an offer or sale of any identifiable tranche of Securities within the United States by any dealer that is not participating in the offering of such tranche of Securities may violate the registration requirements of the Securities Act.

This Information Memorandum has been prepared by the Issuer for use in connection with the offer and sale of the Securities outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Securities, in whole or in part, for any reason. This Information Memorandum does not constitute an offer to any person in the United States. Distribution of this Information Memorandum by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States is prohibited.

## European Union

Unless the Pricing Supplement in respect of any Securities specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (i) the expression retail investor means a person who is one (or more) of the following:
  - (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended or superseded, “**MiFID II**”); or
  - (b) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the “**Insurance Mediation Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (c) not a qualified investor as defined in the Prospectus Directive (as defined below); and
- (ii) the expression “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities.

If the Pricing Supplement in respect of any Securities specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Dealer has represented and agreed, and 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 Securities which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Securities to the public in that Relevant Member State:

- (i) if the Pricing Supplement in relation to the Securities specifies that an offer of those 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 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 Pricing Supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Pricing Supplement, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (iii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (iv) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Securities referred to in (ii) to (iv) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression “**an offer of Securities to the public**” in relation to any 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 Securities to be offered so as to enable an investor to decide to purchase or subscribe the 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 (as amended or superseded) and includes any relevant implementing measure in each Relevant Member State.

### **United Kingdom**

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

- (i) in relation to any Securities which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Securities other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Securities would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (“**FSMA**”) by the Issuer;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Securities in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom.

### **Hong Kong**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Securities other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

### **Singapore**

Each Dealer acknowledges that this Information Memorandum has not been registered as a prospectus with the MAS. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Securities or caused the Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any Securities or cause the Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute,

this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or to 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.

Any reference to the SFA is a reference to the Securities and Futures Act, Chapter 289 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.

## **General**

The selling restrictions herein contained may be modified, varied or amended from time to time by notification from the Issuer to the Dealers and each Dealer has undertaken that it will at all times comply with all such selling restrictions.

Each Dealer understands that no action has been taken in any jurisdiction that would permit a public offering of any of the Securities, or possession or distribution of this Information Memorandum (or any part thereof) or any offer document (or any part thereof) or any Pricing Supplement (or any part thereof), in any country or jurisdiction (other than Singapore) where action for that purpose is required.

Each Dealer has agreed that it will comply with all applicable securities laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers Securities or any interest therein or rights in respect thereof or has in its possession or distributes this Information Memorandum (or any part thereof), any Pricing Supplement (or any part thereof) or any other document (or any part thereof) in connection with the offer or sale, or invitation for subscription or purchase, of the Securities.

*Any person who may be in doubt as to the restrictions set out in the SFA or the laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers the Securities or any interest therein or rights in respect thereof and the consequences arising from a contravention thereof should consult his own professional advisers and should make his own inquiries as to the laws, regulations and directives in force or applicable in any particular jurisdiction at any relevant time.*

## GENERAL AND OTHER INFORMATION

### INFORMATION ON DIRECTORS

1. The name and position of each of the Directors of the Issuer are set out below:

<u>Name</u>	<u>Position</u>
Teo Keng Chiong	Director
Kuok Oon Kwong	Director
Thai Kum Foon	Director
Lee Yew Kwung	Director

2. The name and position of each of the Directors of the Guarantor are set out below:

<u>Name</u>	<u>Position</u>
Yong Hsin Yue	Director
Andy Soh Yan Lee	Alternate Director for Yong Hsin Yue
Surbaya Binti Abdullah @ Kuok Suon Kwong	Director
Ho Chee Hwee Simon	Director
Teo Keng Chiong	Director
Thai Kum Foon	Director
Kuok Oon Kwong	Director
Lee Yew Kwung	Director

3. No Director of the Issuer or the Guarantor is or was involved in any of the following events:

- (a) a petition under any bankruptcy laws filed in any jurisdiction against such person or any partnership in which he was a partner or any corporation of which he was a director or an executive officer;
- (b) a conviction of any offence, other than a traffic offence, or judgment, including findings in relation to fraud, misrepresentation or dishonesty, given against him in any civil proceedings in Singapore or elsewhere, or being a named subject to any pending proceedings which may lead to such a conviction or judgment, or so far as such person is aware, any criminal investigation pending against him; or
- (c) the subject of any order, judgment or ruling of any court of competent jurisdiction, tribunal or government body, permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

4. As at the date of this Information Memorandum, no option to subscribe for shares in, or debentures of, the Issuer and the Guarantor has been granted to, or was exercised by, any Director or employee of the Issuer and/or the Guarantor.

### SHARE CAPITAL

5. As at the date of this Information Memorandum, there is only one class of ordinary shares in the Issuer. The rights and privileges attached to the shares are stated in the Constitution of the Issuer.
6. As at the Latest Practicable Date, there are 500,000 ordinary shares of the Issuer in issue.
7. As at the date of this Information Memorandum, there is only one class of ordinary shares in the Guarantor. The rights and privileges attached to the shares are stated in the Constitution of the Guarantor.



8. As at the Latest Practicable Date, there are 1,590,381,075 ordinary shares of the Guarantor in issue.

#### **BORROWINGS**

9. Save as disclosed in Appendix IV, as at 30 June 2019, the Group had no other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trading bills) or acceptance credits, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

#### **WORKING CAPITAL**

10. The Issuer and the Guarantor are of the opinion that, after taking into account the present banking facilities and the net proceeds of the issue of the Securities, the Issuer and the Guarantor will have adequate working capital for their present requirements.

#### **CHANGES IN ACCOUNTING POLICIES**

11. Save as disclosed in the section “Selected Consolidated Financial information” herein and in Appendix IV, there have been no significant changes in the accounting policies of the Issuer and the Guarantor since its audited financial accounts for the year ended 31 December 2018.

#### **LITIGATION**

12. There are no legal or arbitration proceedings pending or, so far as the Issuer and/or the Guarantor is aware, threatened against the Issuer, the Guarantor or any of their respective subsidiaries the outcome of which may have or have had a material adverse effect on the financial position of the Issuer, the Guarantor or the Group, taken as a whole.

#### **MATERIAL ADVERSE CHANGE**

13. There has been no material adverse change in the financial condition or assets of the Issuer, the Guarantor or the Group since 30 June 2019.

#### **CONSENT**

14. Ernst & Young LLP, the auditors of the Issuer and the Guarantor, have given and have not withdrawn their written consent to the issue of this Information Memorandum with the references herein to their name and, where applicable, reports in the form and context in which they appear in this Information Memorandum.

#### **LEGAL ENTITY IDENTIFIER**

15. The Legal Entity Identifier of the Issuer is 9845006B2GFFC0A38960.

#### **DOCUMENTS AVAILABLE FOR INSPECTION**

16. Copies of the following documents may be inspected at the registered office of the Issuer at 1 Kim Seng Promenade, #07-01 Great World City, Singapore 237994 during normal business hours for a period of six months from the date of this Information Memorandum:
  - (a) the Constitution of the Issuer and the Guarantor;
  - (b) the Trust Deed;
  - (c) the letter of consent referred to in paragraph 14 above;
  - (d) the audited consolidated financial statements of the Guarantor and its subsidiaries for the financial year ended 31 December 2017;

- (e) the audited consolidated financial statements of the Guarantor and its subsidiaries for the financial year ended 31 December 2018; and
- (f) the unaudited consolidated financial statements of the Guarantor and its subsidiaries for the six months ended 30 June 2019.

**FUNCTIONS, RIGHTS AND OBLIGATIONS OF THE TRUSTEE**

17. The functions, rights and obligations of the Trustee are set out in the Trust Deed.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ALLGREEN  
PROPERTIES LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR  
ENDED 31 DECEMBER 2017**

*The information in this Appendix II has been extracted and reproduced from the audited consolidated financial statements of Allgreen Properties Limited and its subsidiaries for the financial year ended 31 December 2017 and has not been specifically prepared for inclusion in this Information Memorandum.*

Company Registration No. 198601009N

## Allgreen Properties Limited and its subsidiary companies

Annual Report  
For the financial year ended 31 December 2017



## Allgreen Properties Limited and its subsidiary companies

### General Information

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#### Directors

Kuok Oon Kwong (Mdm)	
Lee Yew Kwong	(Appointed on 25 September 2017)
Teo Keng Chiong	
Michael Chang Teck Chai	
Suraya Bte Abdullah @ Kuok Suon Kwong (Mdm)	
Yong Hsin Yue (Mdm)	(Appointed on 13 March 2017)
Simon Ho	(Appointed on 3 May 2017)
Khor Thong Meng	(Resigned on 31 December 2017)

#### Company Secretary

Tan Isoo

#### Registered Office

1 Kim Seng Promenade  
#05-02 Great World City  
Singapore 237994

#### Principal Bankers

Standard Chartered Bank  
DBS Bank Limited  
Hongkong Shanghai Banking Corporation  
Malayan Bank Berhad  
Overseas-Chinese Banking Corporation Limited  
United Overseas Bank Limited

#### Auditor

Ernst & Young LLP

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Consolidated Statement of Comprehensive Income	9
Statements of Changes in Equity	10
Consolidated Statement of Cash Flows	15
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## **Allgreen Properties Limited and its subsidiary companies**

### **Directors' Statement**

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The directors are pleased to present their statement to the member together with the audited consolidated financial statements of Allgreen Properties Limited (the "Company") and its subsidiary companies (collectively, the "Group"), and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2017.

#### **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 2017 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.

#### **Directors**

The directors of the Company in office at the date of this statement are:

Kuok Oon Kwong (Mdm)	
Lee Yew Kwung	(Appointed on 25 September 2017)
Teo Keng Chiong	
Michael Chang Teck Chai	
Suraya Bte Abdullah @ Kuok Suon Kwong (Mdm)	
Yong Hsin Yue (Mdm)	(Appointed on 13 March 2017)
Simon Ho	(Appointed on 3 May 2017)

In accordance with Article 94 of the Company's Articles of Association, Teo Keng Chiong and Michael Chang Teck Chai retire from the Board at the Annual General Meeting and being eligible, offer themselves for re-election.

In accordance with Article 95 of the Company's Articles of Association, Simon Ho and Lee Yew Kwung retire from the Board at the Annual General Meeting and being eligible, offer themselves for re-election.

#### **Arrangements to enable directors to acquire shares and debentures**

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

#### **Directors' interests in shares and debentures**

According to the Register of Directors' Shareholdings' required to be kept by the Company under Section 164 of the Singapore Companies Act, Cap. 50, none of the directors who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of the related corporations, either at the beginning of the financial year or at the end of the financial year.



**Allgreen Properties Limited and its subsidiary companies**

**Directors' Statement**

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**Options**

No options were granted during the financial year to take up unissued shares of the Company or of its subsidiary companies.

No shares were issued by virtue of the exercise of options.

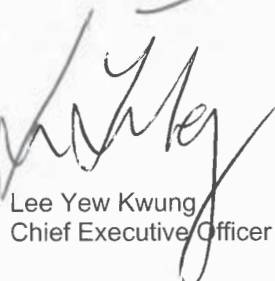
There were no unissued shares of the Company or of its subsidiary companies under option at the end of the financial year.

**Auditors**

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditors.

On behalf of the board of directors:

  
Kuok Oon Kwong  
Chairman

  
Lee Yew Kwung  
Chief Executive Officer

Singapore  
25 April 2018

**Allgreen Properties Limited and its subsidiary companies**

**Independent Auditor's Report  
For the financial year ended 31 December 2017**

**Independent Auditor's Report to the Member of Allgreen Properties Limited**

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**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of Allgreen Properties Limited (the Company) and its subsidiaries (collectively, the Group), which comprise the balance sheets of the Group and the Company as at 31 December 2017, the statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity 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 financial position of the Group and the financial position of the Company as at 31 December 2017 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 year ended on that date.

**Basis for Opinion**

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

**Other Information**

Management is responsible for other information. The other information comprises the information included in the annual report, 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 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.

## **Allgreen Properties Limited and its subsidiary companies**

### **Independent Auditor's Report For the financial year ended 31 December 2017**

#### **Independent Auditor's Report to the Member of Allgreen Properties Limited (cont'd)**

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#### **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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

**Allgreen Properties Limited and its subsidiary companies**

**Independent Auditor's Report  
For the financial year ended 31 December 2017**

**Independent Auditor's Report to the Member of Allgreen Properties Limited (cont'd)**

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**Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)**

- 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 audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The logo for Ernst & Young, featuring the company name in a stylized, handwritten-style font.

Ernst & Young LLP

Public Accountants and  
Chartered Accountants  
Singapore

25 April 2018

Allgreen Properties Limited and its subsidiary companies

Balance Sheets  
As at 31 December 2017

	Note	Group		Company	
		2017	2016	2017	2016
		\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	4	497,058	488,958	309	450
Investment properties	5	2,102,000	2,077,000	–	–
Deposits	12	99,382	–	14,493	–
Other assets		495	475	–	–
Subsidiary companies	6	–	–	1,313,998	1,482,651
Associated companies	7	692,130	704,858	–	–
		3,391,065	3,271,291	1,328,800	1,483,101
<b>Current assets</b>					
Inventories	8	45	54	–	–
Development properties	9	158,902	477,282	6,760	32,443
Trade receivables	10	6,409	4,689	–	17
Other receivables	11	41,981	112,190	337	140
Deposits	12	316	652	111	110
Prepayments		1,458	1,341	37	39
Cash and cash equivalents	13	589,308	759,219	506,966	635,736
		798,419	1,355,427	514,211	668,485
<b>Total assets</b>		4,189,484	4,626,718	1,843,011	2,151,586
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owner of the Company</b>					
Share capital	14	1,177,185	1,177,185	1,177,185	1,177,185
Reserves	15	196,139	204,682	–	–
Retained profits		1,019,343	1,365,574	334,722	672,239
		2,392,667	2,747,441	1,511,907	1,849,424
<b>Non-controlling interests</b>	16	380,971	384,004	–	–
<b>Total equity</b>		2,773,638	3,131,445	1,511,907	1,849,424



**Allgreen Properties Limited and its subsidiary companies**

**Balance Sheets**

**As at 31 December 2017 (cont'd)**

	Note	Group		Company	
		2017	2016	2017	2016
		\$'000	\$'000	\$'000	\$'000
<b>Non-current liabilities</b>					
Loans from non-controlling interests of subsidiary companies	16	–	3,682	–	–
Long-term borrowings	17	1,186,500	1,212,750	–	–
Rental deposits	18	12,136	13,029	–	–
Deferred tax liabilities	19	81,839	86,136	–	–
Derivative financial liabilities	23	1,884	–	–	–
		1,282,359	1,315,597	–	–
<b>Current liabilities</b>					
Trade payables	20	58,937	61,714	3,611	4,167
Rental deposits	18	8,587	8,789	–	–
Other payables	21	3,925	6,693	14	14
Advances from subsidiary companies	22	–	–	327,455	293,250
Advances from associated companies		50	100	–	–
Borrowings	17	31,000	51,000	–	–
Provision for taxation		30,988	51,380	24	4,731
		133,487	179,676	331,104	302,162
<b>Total liabilities</b>		1,415,846	1,495,273	331,104	302,162
<b>Total equity and liabilities</b>		4,189,484	4,626,718	1,843,011	2,151,586
<b>Net current assets</b>		664,932	1,175,751	183,107	366,323
<b>Net assets</b>		2,773,638	3,131,445	1,511,907	1,849,424

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*



**Allgreen Properties Limited and its subsidiary companies**

**Consolidated Income Statement  
For the financial year ended 31 December 2017**

	<b>Note</b>	<b>Group</b>	
		<b>2017</b> \$'000	<b>2016</b> \$'000
<b>Revenue</b>	24	527,603	251,602
Cost of sales		(322,482)	(102,991)
<b>Gross profit</b>		<hr/> 205,121	<hr/> 148,611
Other income	25	13,418	39,202
Distribution and selling expenses		(6,908)	(8,040)
Administrative expenses		(26,660)	(21,827)
Other expenses		(33,982)	(26,042)
Finance costs		(20,016)	(17,717)
Share of results of associated companies		50,538	36,732
<b>Profit before fair value gain/(loss) on investment properties, financial derivatives and impairment in value of development properties</b>		<hr/> 181,511	<hr/> 150,919
Fair value gain on investment properties	5	23,533	27,259
Net change in fair value of financial derivatives	23	(1,884)	-
Impairment in value of development properties	9	(5,328)	-
<b>Profit before taxation</b>	26	<hr/> 197,832	<hr/> 178,178
Taxation	27	(25,659)	(20,897)
<b>Profit for the year</b>		<hr/> <hr/> 172,173	<hr/> <hr/> 157,281
<b>Profit attributable to:</b>			
Owner of the Company		153,785	133,622
Non-controlling interests		18,388	23,659
		<hr/> <hr/> 172,173	<hr/> <hr/> 157,281

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

Allgreen Properties Limited and its subsidiary companies

Consolidated Statement of Comprehensive Income  
For the financial year ended 31 December 2017

	Note	Group	
		2017 \$'000	2016 \$'000
<b>Profit for the year</b>		172,173	157,281
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Revaluation surplus on property, plant and equipment		23,507	72,557
Deferred tax liabilities on revaluation surplus		(3,996)	(12,335)
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation		(19,547)	(30,119)
Other comprehensive income for the year, net of taxation		(36)	30,103
<b>Total comprehensive income for the year</b>		<b>172,137</b>	<b>187,384</b>
<b>Total comprehensive income attributable to:</b>			
Owner of the Company		145,242	136,854
Non-controlling interests		26,895	50,530
		<b>172,137</b>	<b>187,384</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Allgreen Properties Limited and subsidiary companies

Statements of Changes in Equity  
For the financial year ended 31 December 2017

Group	Attributable to owner of the Company						Total equity \$'000	
	Share capital (Note 14) \$'000	Reserves, total \$'000	Asset revaluation reserve (Note 15) \$'000	Foreign currency translation reserve (Note 15) \$'000	Retained profits \$'000	Equity attributable to owner of the Company, total \$'000		Non-controlling interests (Note 16) \$'000
<b>As at 1 January 2017</b>	1,177,185	204,682	162,001	42,681	1,365,574	2,747,441	384,004	3,131,445
Profit for the year	–	–	–	–	153,785	153,785	18,388	172,173
<u>Other comprehensive income</u>								
Revaluation surplus of property, plant and equipment	–	13,023	13,023	–	–	13,023	10,484	23,507
Deferred tax expense on revaluation surplus	–	(2,214)	(2,214)	–	–	(2,214)	(1,782)	(3,996)
Foreign currency translation	–	(19,352)	–	(19,352)	–	(19,352)	(195)	(19,547)
Other comprehensive income for the year	–	(8,543)	10,809	(19,352)	–	(8,543)	8,507	(36)
<b>Total comprehensive income for the year, net of tax</b>	–	(8,543)	10,809	(19,352)	153,785	145,242	26,895	172,137

Allgreen Properties Limited and subsidiary companies

Statements of Changes in Equity  
For the financial year ended 31 December 2017 (cont'd)

Group	Note	Attributable to owner of the Company							Total equity \$'000
		Share capital (Note 14) \$'000	Reserves, total \$'000	Asset revaluation reserve (Note 15) \$'000	Foreign currency translation reserve (Note 15) \$'000	Retained profits \$'000	Equity attributable to owner of the Company, total \$'000	Non-controlling interests (Note 16) \$'000	
Contribution by and distributions to owner									
Liquidation of subsidiary companies		-	-	-	-	-	-	-	(7,055)
Repayment of quasi-equity loan		-	-	-	-	-	-	-	(8,102)
Dividends paid on ordinary shares	27	-	-	-	-	(500,016)	(500,016)	-	(500,016)
Dividends paid to non-controlling interests of a subsidiary company		-	-	-	-	-	-	(14,771)	(14,771)
<b>Total transactions with owner in its capacity as owner</b>		-	-	-	-	(500,016)	(500,016)	(29,928)	(529,944)
<b>As at 31 December 2017</b>		1,177,185	196,139	172,810	23,329	1,019,343	2,392,667	380,971	2,773,638

Allgreen Properties Limited and subsidiary companies

Statements of Changes in Equity  
For the financial year ended 31 December 2017 (cont'd)

Group	Attributable to owner of the Company						Total equity \$'000	
	Share capital (Note 14) \$'000	Reserves, total \$'000	Asset revaluation reserve (Note 15) \$'000	Foreign currency translation reserve (Note 15) \$'000	Retained profits \$'000	Equity attributable to owner of the Company, total \$'000		Non-controlling interests (Note 16) \$'000
<b>As at 1 January 2016</b>	1,177,185	201,450	128,638	72,812	1,231,952	2,610,587	352,624	2,963,211
Profit for the year	–	–	–	–	133,622	133,622	23,659	157,281
<u>Other comprehensive income</u>								
Revaluation surplus of property, plant and equipment	–	40,197	40,197	–	–	40,197	32,360	72,557
Deferred tax expense on revaluation surplus	–	(6,834)	(6,834)	–	–	(6,834)	(5,501)	(12,335)
Foreign currency translation	–	(30,131)	–	(30,131)	–	(30,131)	12	(30,119)
Other comprehensive income for the year	–	3,232	33,363	(30,131)	–	3,232	26,871	30,103
<b>Total comprehensive income for the year, net of tax</b>	–	3,232	33,363	(30,131)	133,622	136,854	50,530	187,384

Allgreen Properties Limited and subsidiary companies

Statements of Changes in Equity  
For the financial year ended 31 December 2017 (cont'd)

Group	Attributable to owner of the Company						Total equity \$'000	
	Share capital (Note 14) \$'000	Reserves, total \$'000	Asset revaluation reserve (Note 15) \$'000	Foreign currency translation reserve (Note 15) \$'000	Retained profits \$'000	Equity attributable to owner of the Company, total \$'000		Non-controlling interests (Note 16) \$'000
Contribution by and distributions to owner	-	-	-	-	-	-	(1,440)	(1,440)
Repayment of quasi-equity loan	-	-	-	-	-	-	(17,710)	(17,710)
Dividends paid to non-controlling interests of a subsidiary company	-	-	-	-	-	-	(19,150)	(19,150)
<b>Total transactions with owner in its capacity as owner</b>	-	-	-	-	-	-	(19,150)	(19,150)
<b>As at 31 December 2016</b>	1,177,185	204,682	162,001	42,681	1,365,574	2,747,441	384,004	3,131,445



Allgreen Properties Limited and its subsidiary companies

Statements of Changes in Equity  
For the financial year ended 31 December 2017 (cont'd)

	Note	Share capital (Note 14) \$'000	Retained profits \$'000	Total equity \$'000
<b>Company</b>				
<b>As at 1 January 2017</b>		1,177,185	672,239	1,849,424
Profit for the year		–	162,499	162,499
Other comprehensive income		–	–	–
<b>Total comprehensive income for the year, net of tax</b>		–	162,499	162,499
Contributions by and distribution to owner				
Dividend paid on ordinary shares	28	–	(500,016)	(500,016)
<b>Total contributions by and distributions to owner</b>		–	(500,016)	(500,016)
<b>As at 31 December 2017</b>		1,177,185	334,722	1,511,907
<b>As at 1 January 2016</b>		1,177,185	571,093	1,748,278
Profit for the year		–	101,146	101,146
Other comprehensive income		–	–	–
<b>Total comprehensive income for the year, net of tax</b>		–	101,146	101,146
<b>As at 31 December 2016</b>		1,177,185	672,239	1,849,424

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

**Allgreen Properties Limited and its subsidiary companies**

**Consolidated Statement of Cash Flows  
For the financial year ended 31 December 2017**

	<b>Group</b>	
	<b>2017</b>	<b>2016</b>
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Profit before taxation	197,832	178,178
Adjustments for:		
Depreciation of property, plant and equipment	17,505	16,131
Fair value gain on investment properties	(23,533)	(27,259)
(Gain)/loss on disposal of property, plant and equipment	(46)	40
Interest income	(3,254)	(2,948)
Interest expense	19,171	16,490
Impairment in value of development properties	5,328	–
Gain on divestment of equity interest in associate	–	(25,642)
Share of results of associated companies	(50,538)	(36,732)
(Write-back)/allowance for impairment loss of trade receivables	(59)	37
Provision for impairment loss of loan to non-controlling interest	3,000	–
Net change in fair value of financial derivatives	1,884	–
Net effect of currency alignment	629	125
	<hr/>	<hr/>
<b>Operating cash flows before working capital changes</b>	167,919	118,420
Decrease in inventories	9	43
Decrease in development properties	309,406	354,499
Decrease in trade and other receivables	687	4,916
Decrease in trade and other payables	(5,998)	(41,833)
Decrease in rental deposits	(1,095)	(1,748)
	<hr/>	<hr/>
<b>Cash generated from operations</b>	470,928	434,297
Interest paid	(19,099)	(20,754)
Income tax paid	(53,963)	(53,031)
	<hr/>	<hr/>
<b>Net cash generated from operating activities</b>	397,866	360,512
	<hr/>	<hr/>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	391	481
Additions to investment properties	(1,467)	(9,741)
Additions to property, plant and equipment	(2,443)	(1,407)
Investments in associated companies	–	(9,430)
Proceeds from capital reduction in an associates company	27,795	–
Non-controlling interests share of liquidation of subsidiaries	(7,055)	–
Proceeds from divestment of associated company	76,737	–
Dividends from associated companies	12,943	50
Deposits for purchase of properties	(99,382)	–
Repayments to advances from associated company	(50)	(50)
Advance of loans to non-controlling shareholders	(4,903)	–
Interest received	3,302	2,882
	<hr/>	<hr/>
<b>Net cash generated from/(used in) investing activities</b>	5,868	(17,215)
	<hr/>	<hr/>

Allgreen Properties Limited and its subsidiary companies

**Consolidated Statement of Cash Flows**  
**For the financial year ended 31 December 2017 (cont'd)**

	Group	
	2017	2016
	\$'000	\$'000
<b>Cash flows from financing activities</b>		
Repayment of loans to non-controlling interests	(3,682)	5,569
Repayment of quasi-equity loan to non-controlling interests	(8,102)	(1,440)
Dividends paid on ordinary shares	(500,016)	–
Dividends paid to non-controlling interests of subsidiary companies	(14,771)	(17,710)
Net repayment of bank borrowings	(46,250)	(24,080)
	<hr/>	<hr/>
<b>Net cash used in financing activities</b>	(572,821)	(37,661)
	<hr/>	<hr/>
Net increase in cash and cash equivalents	(169,087)	305,636
Cash and cash equivalents at 1 January	759,219	453,583
Effect of exchange rate changes on cash and cash equivalents	(824)	–
	<hr/>	<hr/>
<b>Cash and cash equivalents at 31 December (Note 13)</b>	589,308	759,219
	<hr/>	<hr/>

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements*

## Allgreen Properties Limited and its subsidiary companies

### Notes to the financial statements For the financial year ended 31 December 2017

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#### 1 Corporate information

The financial statements for the year ended 31 December 2017 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

The Company is incorporated and domiciled in the Republic of Singapore. The immediate and ultimate holding company is Brookvale Investments Pte Ltd.

The registered office and principal place of business of the Company is located at 1 Kim Seng Promenade, #05-02 Great World City, Singapore 237994. The Company also undertakes property development activities at the following locations:

- (a) Suite@Orchard  
Handy Road, Singapore
- (b) The Sorrento  
West Coast Road, Singapore

The principal activities of the Company are that of investment holding and to develop properties for sale. The principal activities of its subsidiary companies are disclosed in Note 6 to the financial statements.

#### 2. Summary of significant accounting policies

##### 2.1 *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 on the historical cost basis, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or \$), and all values in the tables are rounded to the nearest thousand (\$'000) except when otherwise indicated.

##### 2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial period beginning on 1 January 2017 including the Amendments to FRS 7 *Disclosure Initiative*. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

2. Summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective

The Group has not adopted the following standards that have been issued but are not yet effective:

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
Amendments to FRS 110 & FRS 28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date to be determined
FRS 109 <i>Financial Instruments</i>	1 January 2018
FRS 115 <i>Revenue from Contracts with Customers</i>	1 January 2018
FRS 116 <i>Leases</i>	1 January 2019

The nature of the impending changes in accounting policy on adoption of FRS 109 and FRS 115 are described below. The directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application.

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 requires the Group to record expected credit losses on all of its loans and trade receivables, either on a 12-month or lifetime basis. Upon application of the expected credit loss model, the Group expects a significant impact on its equity due to unsecured nature of its loans and receivables, but it will need to perform a more detailed analysis which considers all reasonable and supportable information, including forward-looking elements to determine the extent of impact.



**2. Summary of significant accounting policies (cont'd)**

**2.3 Standards issued but not yet effective (cont'd)**

*FRS 115 Revenue from Contracts with Customers*

FRS 115 establishes a five-step model to account for revenue arising from contracts with customers: (1) Identify the contract(s) with customer; (2) Identify separate performance obligations in a contract; (3) Determine the transaction price; (4) Allocate transaction price to performance obligations; and (5) Recognise revenue when performance obligation is satisfied. 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 new revenue standard will supersede all current revenue recognition requirements under FRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted.

The Group has performed a preliminary assessment of FRS 115 which is subject to changes arising from a more detailed ongoing analysis, and has considered the following when assessing the impact upon adoption of FRS 115:

*Sales of development properties held for sale*

The Group is engaged in the development and sale of residential properties. The Group has assessed that for its residential developments, performance obligations for the sale of pre-completion units are satisfied over time and hence will continue to be accounted for using the percentage of completion method upon adoption of FRS 115. Accordingly, the Group does not expect a significant impact to arise in this respect.

*Sales commissions paid to sales or marketing agents on the sale of real estate units*

The Group pays sales commissions to sales or marketing agents on the sale of real estate units and currently charges such sales commissions to profit or loss when incurred. FRS 115 requires an entity to capitalise incremental costs to obtain a contract with a customer if these costs are recoverable and amortised to profit or loss as the entity expects to recognise the related revenue. Accordingly, the Group expects its accounting treatment of such sales commissions to change upon adoption of FRS 115.



2. Summary of significant accounting policies (cont'd)

2.4 Basis of consolidation and business combinations

(a) Basis of consolidation

Basis of consolidation from 1 January 2010

The consolidated financial statements comprise the financial statements of the Company and its subsidiary companies as at the end of the reporting period. The financial statements of the subsidiary companies 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 significant intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiary companies 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 company are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary company, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary company, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary company 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 profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained profits, as appropriate.

2. Summary of significant accounting policies (cont'd)

2.4 *Basis of consolidation and business combinations (cont'd)*

(a) *Basis of consolidation (cont'd)*

Basis of consolidation prior to 1 January 2010

Certain of the above-mentioned requirements were applied on a prospective basis. The following differences, however, are carried forward in certain instances from the previous basis of consolidation:

- Acquisition of non-controlling interests, prior to 1 January 2010, were accounted for using the parent entity extension method, whereby, the differences between the consideration and the book value of the share of the net assets acquired were recognised in goodwill.
- Losses incurred by the Group were attributed to the non-controlling interest until the balance was reduced to \$Nil. Any further losses were attributed to the Group, unless the non-controlling interest had a binding obligation to cover these. Losses prior to 1 January 2010 were not reallocated between non-controlling interest and the owners of the Company.
- Upon loss of control, the Group accounted for the investment retained at its proportionate share of the net asset value at the date control was lost. The carrying value of such investments as at 1 January 2010 has not been restated.

(b) *Business combinations and goodwill*

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 and the services are received.

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 profit or loss.

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.

**2. Summary of significant accounting policies (cont'd)**

**2.4 Basis of consolidation and business combinations (cont'd)**

**(b) Business combinations and goodwill (cont'd)**

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 net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated are tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

**2.5 Property, plant and equipment, and depreciation**

Hotel property, which includes interests in leasehold land and buildings and their integral fixed plant and machinery and fittings, is stated at valuation, less accumulated depreciation. It is stated at directors' valuation based upon the advice of professional valuers on the open market value at the end of the reporting period.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

On disposal of the hotel property, the net surplus on revaluation is transferred directly to retained profits.



2. Summary of significant accounting policies (cont'd)

2.5 **Property, plant and equipment, and depreciation (cont'd)**

All other items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost, less accumulated depreciation and any accumulated impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to profit or loss as incurred. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold land	-	lease term of 95 years
Buildings	-	50 years
Plant, machinery, furniture, fittings, equipment and computers	-	3 to 10 years
Motor vehicles	-	5 to 10 years
Operating supplies	-	5 years

Construction-in-progress comprises materials and contractors' costs based on architects' certification in relation to refurbishment of the hotel property. No depreciation is provided for construction-in-progress.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

For acquisitions and disposals during the year, depreciation is provided from the month of acquisition and to the month before disposal respectively. Fully depreciated assets are retained in the books of accounts until they are no longer in use.

The residual values, useful lives and depreciation methods are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

Operating supplies comprise linen, chinaware, glassware and silverware. Items in use are regarded as part of the necessary operating supplies of the hotel and are shown under property, plant and equipment. Items held in the stores are regarded as inventories. Issues from stores for replacement to maintain the level of operating supplies in the hotel are charged to profit or loss.

**2. Summary of significant accounting policies (cont'd)**

**2.6 *Investment properties***

Investment properties are properties that are either owned by the Group or leased under a finance lease that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties. Properties held under operating leases are classified as investment properties when the definition of investment properties is met.

Investment properties are initially recorded at cost including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met.

Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Additions, improvements and renewals resulting from subsequent expenditure are capitalised and expenditure for repairs and maintenance are charged to profit or loss when incurred.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

**2.7 *Subsidiary companies***

A subsidiary company 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.

In the Company's separate financial statements, investments in subsidiary companies are accounted for at cost, less impairment losses.

**2.8 *Associated companies***

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.

The Group accounts for its investments in associates using the equity method from the date on which it becomes an associate.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

**2. Summary of significant accounting policies (cont'd)**

**2.8 Associated companies (cont'd)**

Under the equity method, the investment in associates is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates. The profit or loss reflects the share of results of the operations of the associates. Distributions received from associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate are eliminated to the extent of the interest in the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired.

If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and recognises the amount in profit or loss.

The financial statements of the associates are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

**2.9 Inventories**

Inventories are carried at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are primarily determined on a first-in-first-out basis and include freight and handling charges.

When necessary, allowance is provided for damaged, obsolete, slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.



**2. Summary of significant accounting policies (cont'd)**

**2.10 Development properties**

Development properties are properties acquired or being constructed for sale in the ordinary course of business, rather than to be held for the Group's own use, rental or capital appreciation.

Development properties are measured at the lower of cost and net realisable value.

Net realisable value of development properties is the estimated selling price in the ordinary course of business, based on market prices at the reporting date and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale. Allowance for foreseeable losses is made when it is anticipated that the net realisable value has fallen below cost.

The costs of development properties recognised in profit or loss on disposal are determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

The costs of development properties include:

- Freehold and leasehold rights for land;
- Amounts paid to contractors for construction; and
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.
- Rental income earned prior to the commencement of physical construction activities is accounted for as a reduction to the cost of development properties.

Progress claims made against each partly completed development property are offset against the costs of the development property.

Non-refundable commissions paid to sales or marketing agents on the sale of real estate units are expensed when incurred.

Development properties held for sale are stated at cost plus attributable profits less progress billings if their revenue is recognised based on the percentage of completion method (Note 2.18(a)). Progress billings not yet paid by customers are included within "trade receivables".

**2. Summary of significant accounting policies (cont'd)**

**2.11 Financial instruments**

**Financial assets**

*Initial recognition and measurement*

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. When financial assets are recognised initially, they are measured at fair value plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

*Subsequent measurement*

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

*De-recognition*

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

**Financial liabilities**

*Initial recognition and measurement*

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

*Subsequent measurement*

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

*De-recognition*

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

**2. Summary of significant accounting policies (cont'd)**

**2.11 Financial instruments (cont'd)**

**Financial liabilities (cont'd)**

*Offsetting of financial instruments*

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 offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

**2.12 Cash and cash equivalents**

Cash and cash equivalents comprise cash and bank balances, and bank deposits which are subject to an insignificant risk of changes in value, and which form an integral part of the Group's cash management.

**2.13 Impairment of non-financial assets**

The Group assesses at each reporting date whether there is an indication that non-financial asset may be impaired. If any indication exists, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value, less costs of disposal and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value-in-use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses are recognised in profit or loss, except for assets that were previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at its revalued amount, in which case the reversal is treated as a revaluation increase.



**2. Summary of significant accounting policies (cont'd)**

**2.14 Impairment of financial assets**

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses it for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in profit or loss.

When the assets become 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 amount of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has 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 amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

**2.15 Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period 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.

2. Summary of significant accounting policies (cont'd)

2.16 Taxes

(a) **Current income tax**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) **Deferred tax**

Deferred income tax is provided, using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries and associated companies, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries and associated companies, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

**2. Summary of significant accounting policies (cont'd)**

**2.16 Taxes (cont'd)**

**(b) Deferred tax (cont'd)**

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**(c) Sales tax**

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services 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
- Receivables and payables that 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 receivables or payables in the balance sheets.

**2.17 Share capital and share issuance expenses**

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.



2. **Summary of significant accounting policies (cont'd)**

2.18 **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, taking into account contractually defined terms of payment and excluding taxes or duty. The Group assesses its revenue arrangements and has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

(a) **Sale of development properties**

Revenue on development properties held for sale is recognised based on the following methods:

- (a) For contracts with progressive payment scheme, revenue is recognised based on the percentage of completion method. The stage of completion is measured based on the stage of completion certified by architects or quantity surveyors as a proportion of total development costs expected to be incurred; and
- (ii) For contracts with deferred payment scheme, revenue is recognised when the property is completed and the relevant occupation permit is issued by the relevant government authorities.

(b) **Rental income**

Rental income arising from operating leases on investment properties and development properties is accounted for on a straight-line basis over the lease terms. 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.

(c) **Hotel operations**

Revenue from hotel operations is recognised when services are rendered and accepted by customers.

(d) **Interest income**

Interest income is recognised on a time-apportioned basis using the effective interest method.

**2. Summary of significant accounting policies (cont'd)**

**2.19 Operating leases**

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

***As lessor***

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.18(b). Contingent rents are recognised as revenue in the period in which they are earned.

**2.20 Employee benefits**

**(a) Defined contribution plan**

The Group makes contributions to the Central Provident Fund ("CPF") in Singapore, a defined contribution pension scheme. CPF contributions are recognised as an expense in the period in which the related service is performed.

**(b) Employee leave entitlement**

Employee entitlements to annual leave are recognised as a liability 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 end of the reporting period.

**2.21 Key management personnel**

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors and certain general managers are considered key management personnel.

**2.22 Borrowing costs**

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale (i.e. at the time when Temporary Occupation Permit is obtained). All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**2. Summary of significant accounting policies (cont'd)**

**2.23 Foreign currencies**

The Group's consolidated financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

***Transactions and balances***

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiary companies and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. 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 measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss 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 reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss on disposal of the foreign operation.

***Consolidated financial statements***

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

In the case of a partial disposal without loss of control of a subsidiary company that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences is re-attributed to non-controlling interest and is not recognised in profit or loss. For partial disposals of associates that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

**2.24 Financial guarantees**

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 recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are recognised as income in profit or loss 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 profit or loss.

**2. Summary of significant accounting policies (cont'd)**

**2.25 Contingencies**

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
  - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) The amount of the obligation cannot be measured with sufficient reliability.

**2.26 Related parties**

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group and the Company if that person:
  - (i) has control or joint control over the Company;
  - (ii) has significant influence over the Company; or
  - (iii) is a member of the key management personnel of the Group or Company or of a parent of the Company.
- (b) An entity is related to the Group and the Company if any of the following conditions applies:
  - (i) the entity and the Company are members of the same group (which means that each parent, subsidiary company and fellow subsidiary company is related to the others);
  - (ii) one entity is an associated company or joint venture of the other entity (or an associated company or joint venture of a member of a group of which the other entity is a member);
  - (iii) both entities are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associated company of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a);
  - (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

**3. Significant accounting estimates and judgments**

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

**3.1 Judgment made in applying accounting policies**

In the process of applying the Group's accounting policies, management has made the following judgment, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements.

***Operating lease commitments – as lessor***

The Group has entered into commercial property leases on its investment properties. The Group has determined, based on the evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties, and so accounts for the contracts as operating leases.

**3.2 Key sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

**(i) Revenue recognition on sale of development properties under construction**

The Group recognises revenue for pre-completion sales of development properties by reference to the stage of completion using the percentage of completion method. The stage of completion is measured in accordance with the accounting policy set out in Note 2.18(a) to the financial statements. Significant assumptions are required to estimate the total contract costs and the recoverable variation works that affect the stage of completion and revenue respectively. In making these estimates, management has relied on past experience and knowledge of the project engineers. The carrying amount of development properties as well as the revenue from sale of development properties are disclosed in Note 9 (Development Properties) and Note 24 (Revenue) to the financial statements respectively.



## Allgreen Properties Limited and its subsidiary companies

### Notes to the financial statements For the financial year ended 31 December 2017

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#### 3. Significant accounting estimates and judgments (cont'd)

##### 3.2 Key sources of estimation uncertainty (cont'd)

###### (ii) *Impairment of non-financial and financial assets*

###### Development properties held for sale

The Group assesses whether there are any indicators of impairment for non-financial assets at each reporting date. In particular, allowance for foreseeable losses is made for development properties held for sale when the net realisable value has fallen below cost. In arriving at estimates of net realisable values, management considered factors such as current market conditions, recent selling prices of the development properties and comparable development properties. The allowance for foreseeable losses is disclosed in Note 9.

###### Investment in associated companies

The Group assesses at each reporting date whether there is any objective evidence that investments in associated companies are impaired. Where there is objective evidence of impairment, the recoverable amount is estimated based on the higher of the value-in-use and the fair value less costs to sell. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows to be generated by the associated companies and also to choose a suitable discount rate in order to calculate the present value of those cash flows which reflects the risk profile of the investee and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates. Changes in assumptions about these factors could affect the recoverable amount of the investee. The carrying amount of the investment in associated companies at the reporting date has been disclosed in the Group's balance sheet.

###### Loans and receivables

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flow are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amounts of the Group's and the Company's loans and receivables at the end of the reporting period are disclosed in Note 10 to the financial statements.



3. **Significant accounting estimates and judgments (cont'd)**

3.2 **Key sources of estimation uncertainty (cont'd)**

(iii) **Revaluation of hotel property and investment properties**

The Group carries its hotel property and investment properties at fair value, with changes in fair values being recognised in other comprehensive income and profit or loss respectively.

The fair values of the hotel property and investment properties are determined by independent real estate valuation experts using recognised valuation techniques. These techniques may consider both Income Capitalisation Method and Comparison Method.

The determination of the fair value of the hotel property and investment properties includes consideration of actual revenue, room rates and occupancy rates, property expenses as well as the projected sustainable income in the following years based on market rent and prevailing market conditions. These estimates are based on local market conditions existing at the end of each reporting period.

(iv) **Income taxes**

Significant judgment is involved in determining the Group's and the Company's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The carrying amounts of the Group's and the Company's provision for taxation at 31 December 2017 were approximately \$30,988,000 (2016: \$51,380,000) and \$24,000 (2016: \$4,731,000). The carrying amounts of the Group's and the Company's deferred tax liabilities at 31 December 2017 were \$81,839,000 (2016: \$86,136,000) and \$Nil (2016: \$ Nil) respectively.

(v) **Useful lives of property, plant and equipment**

The cost of property, plant and equipment is depreciated on a straight-line basis over their useful lives. Management estimates the useful lives of property, plant and equipment to be within 3 to 95 (2016: 3 to 95) years. The carrying amounts of the Group's and the Company's property, plant and equipment as at 31 December 2017 are stated in Note 4 to the financial statements. Changes in the expected level of usage could impact the economic useful lives and residual values of these assets, therefore future depreciation charges could be revised.

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements  
For the financial year ended 31 December 2017

4. Property, plant and equipment

Group	Hotel property \$'000	Plant, machinery, furniture, fittings, equipment and computers \$'000	Motor vehicles \$'000	Operating supplies \$'000	Construction- in- progress \$'000	Total \$'000
<b>Cost or valuation</b>						
At 1 January 2016	420,000	25,617	1,355	1,440	188	448,600
Additions	204	1,085	113	5	—	1,407
Disposals	(1)	(349)	(535)	(316)	—	(1,201)
Reclassification	(255)	—	—	—	(43)	(298)
Revaluation surplus	60,052	—	—	—	—	60,052
Translation differences	—	(1)	—	—	—	(1)
At 31 December 2016 and 1 January 2017	480,000	26,352	933	1,129	145	508,559
Additions	593	1,849	—	1	—	2,443
Disposals	—	(392)	(769)	—	—	(1,161)
Revaluation surplus	9,407	—	—	—	—	9,407
At 31 December 2017	490,000	27,809	164	1,130	145	519,248

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements  
For the financial year ended 31 December 2017

4. Property, plant and equipment (cont'd)

Group (cont'd)	Hotel property \$'000	Plant, machinery, furniture, fittings, equipment and computers \$'000	Motor vehicles \$'000	Operating supplies \$'000	Construction- in- progress \$'000	Total \$'000
<b>Accumulated depreciation</b>						
At 1 January 2016	—	15,241	775	938	—	16,954
Depreciation for the year	12,505	3,434	110	82	—	16,131
Disposals	—	(285)	(379)	(314)	—	(978)
Revaluation surplus	(12,505)	—	—	—	—	(12,505)
Translation differences	—	(1)	—	—	—	(1)
At 31 December 2016 and 1 January 2017	—	18,389	506	706	—	19,601
Depreciation for the year	14,100	3,225	100	80	—	17,505
Disposals	—	(373)	(443)	—	—	(816)
Revaluation surplus	(14,100)	—	—	—	—	(14,100)
Translation differences	—	—	—	—	—	—
At 31 December 2017	—	21,241	163	786	—	22,190
<b>Net book value</b>						
At 31 December 2017	490,000	6,568	1	344	145	497,058
At 31 December 2016	480,000	7,963	427	423	145	488,958

Hotel property consist of leasehold land, building, plant and machinery and fittings with net carrying values of \$360,000,000 (2016: \$351,000,000), \$111,111,000 (2016: \$106,386,300), \$2,366,000 (2016: \$2,218,800) and \$16,523,000 (2016: \$20,394,900) respectively as at 31 December 2017.

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements  
For the financial year ended 31 December 2017

4. Property, plant and equipment (cont'd)

Group

*Revaluation of hotel property*

	Group	
	2017 \$'000	2016 \$'000
<b>Hotel property</b>		
Transfer to asset revaluation reserve	23,507	72,557

The Group engaged Colliers International Consultancy & Valuation (Singapore) Pte Ltd, an independent firm of professional valuers, to determine the fair value of the hotel property as at 31 December 2017. The property was valued on the basis of open market value. As at 31 December 2017, the market value of the hotel property was assessed to approximate \$490,000,000 (2016: \$480,000,000).

If the hotel property was measured using the cost model, the net carrying amount would be as follows:

	Group	
	2017 \$'000	2016 \$'000
Cost	257,128	256,535
Accumulated depreciation	(96,892)	(88,146)
Net carrying value	160,236	168,389

Company	Furniture, fittings, equipment and computers	Motor vehicles	Total
	\$'000	\$'000	\$'000
<b>Cost</b>			
At 1 January 2016	1,549	612	2,161
Additions	167	—	167
Disposals	(15)	(360)	(375)
At 31 December 2016 and 1 January 2017	1,701	252	1,953
Additions	132	—	132
Disposals	(65)	(252)	(317)
At 31 December 2017	1,768	—	1,768

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements  
For the financial year ended 31 December 2017

4. Property, plant and equipment (cont'd)

Company (cont'd)	Furniture, fittings, equipment and computers \$'000	Motor vehicles \$'000	Total \$'000
<b>Accumulated depreciation</b>			
At 1 January 2016	1,384	275	1,659
Depreciation for the year	49	40	89
Disposals	(15)	(230)	(245)
At 31 December 2016 and 1 January 2017	1,418	85	1,503
Depreciation for the year	96	37	133
Disposals	(55)	(122)	(177)
At 31 December 2017	1,459	–	1,459
<b>Net book value</b>			
At 31 December 2017	309	–	309
At 31 December 2016	283	167	450

5. Investment properties

	Group	
	2017 \$'000	2016 \$'000
Freehold properties	1,779,000	1,761,000
Leasehold property	323,000	316,000
	2,102,000	2,077,000

The movements in investment properties are as follows:

	Group	
	2017 \$'000	2016 \$'000
<b>Balance sheet:</b>		
At 1 January	2,077,000	2,040,000
Additions (subsequent expenditure)	1,581	9,750
Disposals	(114)	(9)
Fair value gain recognised in profit or loss	23,533	27,259
At 31 December	2,102,000	2,077,000
<b>Income statement:</b>		
Rental income	104,750	108,988
Direct operating expenses arising from investment properties that generated rental income	(23,310)	(23,860)

## Allgreen Properties Limited and its subsidiary companies

### Notes to the financial statements For the financial year ended 31 December 2017

#### 5. Investment properties (cont'd)

The investment properties which include interests in land and buildings and their integral plant and machinery and fittings, are valued using the Comparison Method assessed on 31 December 2017 by a firm of independent professional valuers, Colliers International Consultancy & Valuation (Singapore) Pte Ltd, who have appropriate recognised professional qualifications and recent experience in the location and category of the investment properties being valued. The determination of the fair values of the investment properties includes consideration of actual revenue and occupancy rates, property expenses as well as the projected sustainable income in the following year based on market rent and prevailing market conditions. These estimates are based on local market conditions existing at the end of each reporting date. As at 31 December 2017, the market values of the investment properties of the Group were assessed to be \$2,102,000,000 (2016: \$2,077,000,000).

The investment properties held by the Group as at 31 December are as follows:

Property	Existing use	Tenure	Unexpired lease term
1 Kim Seng Promenade, Singapore 237994	Office/ Retail	Freehold	Freehold
2 Kim Seng Walk, Singapore 239494	Serviced apartment	Freehold	Freehold
91 Tanglin Road, Singapore 247918	Office/ Retail	Freehold	Freehold
163 Tanglin Road, Singapore 247933	Retail	99 years leasehold commencing from 31 May 1991	73 years

Investment properties amounting to \$1,716,000,000 (2016: \$1,701,000,000) have been mortgaged to secure borrowings (Note 17).

#### 6. Subsidiary companies

	Company	
	2017 \$'000	2016 \$'000
Unquoted equity investments, at cost	793,965	796,096
Impairment losses	(187,000)	(187,000)
	<hr/> 606,965	<hr/> 609,096
Loans to subsidiary companies:		
Quasi-equity*	690,814	823,242
Interest-bearing** (Note 10)	16,219	50,313
	<hr/> 707,033	<hr/> 873,555
Total	<hr/> <hr/> 1,313,998	<hr/> <hr/> 1,482,651



**Allgreen Properties Limited and its subsidiary companies**

**Notes to the financial statements  
For the financial year ended 31 December 2017**

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**6. Subsidiary companies (cont'd)**

An analysis of allowance for impairment on investment in subsidiary companies is as follows:

	Company	
	2017 \$'000	2016 \$'000
At 1 January	187,000	182,000
Impairment losses	–	5,000
At 31 December	<u>187,000</u>	<u>187,000</u>

Included in loans to subsidiary companies are subordinated loans of \$Nil (2016: \$37,080,000).

\* These loans are unsecured and form part of the Company's net investment in subsidiary companies. Settlements are neither planned nor likely to occur in the foreseeable future.

\*\* These loans are unsecured and have no fixed term of repayment. The carrying values approximate their fair values as they bear interest at variable rates which approximate rates for similar types of borrowing arrangements. The effective interest rate is 1.86% (2016: 3.22%) per annum.

**Allgreen Properties Limited and its subsidiary companies**

**Notes to the financial statements**  
**For the financial year ended 31 December 2017**

**6. Subsidiary companies (cont'd)**

**a. Composition of the Group**

Details of the subsidiary companies are as follows:

Name	Country of incorporation/ principal place of business	Proportion of ownership interest held by Group		Principal activities
		2017 %	2016 %	
Allgreen Properties (Chengdu) Pte. Ltd.	Singapore	100	100	Investment holding
Allgreen Properties (Qinhuangdao) Pte. Ltd.	Singapore	100	100	Investment holding
Allgreen Properties (Shanghai) Pte. Ltd.	Singapore	100	100	Investment holding
Allgreen Properties (Shenyang) Pte. Ltd.	Singapore	100	100	Investment holding
Allgreen Properties (Tianjin) Pte. Ltd.	Singapore	100	100	Investment holding
Allgreen Properties (Vietnam) Pte. Ltd.	Singapore	100	100	Investment holding
Arcadia Development Pte. Ltd.	Singapore	90	90	Property developer and owner
Asiawide Resources Pte Ltd	Singapore	92	92	Property developer and owner
Belfin Investments Pte Ltd	Singapore	100	100	Investment holding
Benefit Investments Pte Ltd	Singapore	100	100	Property developer and owner
Boonridge Pte Ltd	Singapore	65	65	Property developer and owner
Bukit Batok Development Pte Ltd	Singapore	90	90	Property developer and owner

**Allgreen Properties Limited and its subsidiary companies**

**Notes to the financial statements  
For the financial year ended 31 December 2017**

**6. Subsidiary companies (cont'd)**

**a. Composition of the Group (cont'd)**

Details of the subsidiary companies are as follows: (cont'd)

Name	Country of incorporation/ principal place of business	Proportion of ownership interest held by Group		Principal activities
		2017 %	2016 %	
Cuscaden Properties Pte Ltd	Singapore	55.4	55.4	Owner and operator of a hotel cum shopping complex
Devonshire Peak Pte Ltd *	Singapore	70	70	Property developer and owner
Eastwood Green Pte Ltd #	Singapore	100	100	Property developer and owner
Green Bay Pte Ltd	Singapore	100	100	Property developer and owner
GWC Commercial Pte Ltd	Singapore	100	100	Owner and operator of a mixed development comprising offices and shops
GWC Serviced Apartments Pte Ltd	Singapore	100	100	Owner and operator of serviced apartments
Holland Village Development Pte Ltd *	Singapore	100	100	Property developer and owner
Jeston Investments Pte Ltd	Singapore	100	100	Investment holding
Leo Property Management Private Limited	Singapore	100	100	Project and property management, and estate agent
Midpoint Properties Limited	Singapore	100	100	Dormant

## Allgreen Properties Limited and its subsidiary companies

### Notes to the financial statements For the financial year ended 31 December 2017

#### 6. Subsidiary companies (cont'd)

##### a. Composition of the Group (cont'd)

Details of the subsidiary companies are as follows: (cont'd)

Name	Country of incorporation/ principal place of business	Proportion of ownership interest held by Group		Principal activities
		2017 %	2017 %	
Perfect Bright Pte. Ltd. (formerly known as Allgreen (Yangon) Pte. Ltd)	Singapore	100	100	Investment holding
Petals Development Pte Ltd	Singapore	100	100	Investment holding
Rufiji Pte Ltd	Singapore	100	100	Property developer and owner
Skytop Investments Pte Ltd	Singapore	100	100	Property developer and owner
Tanglin Place Development Pte Ltd (1)	Singapore	55.4	55.4	Owner and operator of an office cum shopping complex
Thomson Peak Pte Ltd *	Singapore	80	80	Property developer and owner
ValleyPoint Investments Pte. Ltd.	Singapore	100	100	Property developer and owner
Golden Age Joint-Venture Ltd., Co. (2)	Vietnam	65	65	Property developer and owner
Allgreen Property Management Services Co., Ltd (2)	Vietnam	100	100	Real estate management and consultancy services
Allgreen-Vuong Thanh Company Limited (2)	Vietnam	98	98	Real estate management and consultancy services
Allgreen-Vuong Thanh Properties Company Limited (2)	Vietnam	98	98	Property developer and owner
Allgreen-Vuong Thanh-Trung Duong Co., Ltd (3)	Vietnam	88.2	88.2	Property developer and owner

# In member's voluntary liquidation

\* Liquidated during the year

(1) Subsidiary company of Cuscaden Properties Pte Ltd.

(2) Subsidiary companies of Allgreen Properties (Vietnam) Pte. Ltd.

(3) Subsidiary company of Allgreen-Vuong Thanh Company Limited.

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements

For the financial year ended 31 December 2017

6. Subsidiary companies (cont'd)

b. Interest in subsidiaries with material non-controlling interest ("NCI")

The Group has the following subsidiaries that have NCI that are material to the Group.

Name	Principal place of business	Proportion of ownership interest held by non-controlling interest %	Profit allocated to NCI during the reporting period \$'000	Accumulated NCI at the end of reporting period \$'000	Dividends paid to NCI \$'000
<b>31 December 2017</b> Cuscaden Properties Pte Ltd and its subsidiary company	Singapore	44.6	10,015	349,854	9,371
<b>31 December 2016</b> Cuscaden Properties Pte Ltd and its subsidiary company	Singapore	44.6	21,320	340,509	8,280

c. Summarised financial information about subsidiaries with material NCI

	Cuscaden Properties Pte Ltd and its subsidiary company	
	2017 \$'000	2016 \$'000
<b>Summarised balance sheet</b>		
Current assets	9,745	12,099
Non-current assets	883,855	864,690
Total assets	893,600	876,789
Current liabilities	(24,103)	(47,807)
Non-current liabilities	(85,070)	(65,508)
Total liabilities	(109,173)	(113,315)
Net assets	784,427	763,474
<b>Summarised statement of comprehensive income</b>		
Revenue	68,998	63,193
Profit or loss after tax	22,455	47,803
Other comprehensive income	19,510	60,222
Total comprehensive income	41,965	108,025
<b>Other summarised information</b>		
Net cash generated from operating activities	25,476	22,668
Net cash used in investing activities	(1,519)	(1,344)
Net cash used in financing activities	(26,518)	(19,171)

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements  
For the financial year ended 31 December 2017

7. Associated companies

	Group	
	2017 \$'000	2016 \$'000
Unquoted equity investments, at cost	477,270	505,065
Loans to associated companies	93,918	93,918
Share of foreign currency translation reserve	27,760	43,465
Share of other post-acquisition reserves	93,182	62,410
	<u>692,130</u>	<u>704,858</u>

The loans to associated companies comprise foreign currency loans amounting to US\$66,122,000 (2016: US\$66,122,000) and RMB45,000,000 (2016 : RMB45,000,000), which form part of the Group's net investment in the associated companies. The loans are unsecured, and settlement is neither planned nor likely to occur in the foreseeable future.

During the year, an associated company undertook a capital reduction exercise.

Aggregate information of the Group's investments in associated companies is as follows:

	Group	
	2017 \$'000	2016 \$'000
Profit after tax	50,538	36,732
Other comprehensive income	(15,705)	(30,620)
Total comprehensive income	<u>34,833</u>	<u>6,112</u>



**Allgreen Properties Limited and its subsidiary companies**

**Notes to the financial statements  
For the financial year ended 31 December 2017**

**7. Associated companies (cont'd)**

Details of the associated companies are as follows:

Name	Country of incorporation/ principal place of business	Proportion of ownership interest held by Group		Principal activities
		2017 %	2016 %	
Central Laundry Pte Ltd (1) @	Singapore	13.8	13.8	Provision of laundry services
Hengyun Real Estate (Tangshan) Co., Ltd (2)	China	25	25	Property developer of a mainly residential apartments development
Kerry Development (Chengdu) Ltd. (3)	China	25	25	Property developer of a mainly residential apartments development
Kerry (Shenyang) Real Estate Development Co., Ltd. (4) @	China	15	15	Property developer and owner and operator of a mixed development comprising offices, residences, retail and ancillary facilities
Lucky Billion Development (Qinhuangdao) Co., Ltd. (5) @	China	10	10	Property developer of a mainly residential complex
Ruihe Estate (Tangshan) Co., Ltd (2)	China	25	25	Property developer of a mainly hotel development
Shanghai Pudong Kerry City Properties Co., Ltd. (6) @	China	16	16	Property developer and owner and operator of a mixed development comprising offices, serviced apartments, retail and hotel

## Allgreen Properties Limited and its subsidiary companies

### Notes to the financial statements For the financial year ended 31 December 2017

#### 7. Associated companies (cont'd)

Details of the associated companies are as follows: (cont'd)

Name	Country of incorporation/ principal place of business	Proportion of ownership interest held by Group		Principal activities
		2017 %	2016 %	
Shangri-La Hotel (Shenyang) Co., Ltd. (4) @	China	15	15	Developer and operator of hotel and hotel management
Sheng Xiang Real Estate (Shenyang) Co., Ltd. (4) @	China	15	15	Property developer and owner and operator of a mixed development comprising offices, residences, retail and ancillary facilities
Tianjin Kerry Real Estate Development Co., Ltd (7)	China	31	31	Property developer and owner and operator of a mixed development comprising residences, retail and hotel
Wealthy Plaza Development (Chengdu) Ltd. (3)	China	25	25	Property developer of a mainly residential apartments development

@ Deemed to be associated company as the Group has significant influence over the financial and operating policies of this entity due to its board representation

- (1) Associated company of Cuscaden Properties Pte Ltd.
- (2) Associated companies of Jeston Investments Pte Ltd.
- (3) Associated companies of Allgreen Properties (Chengdu) Pte. Ltd.
- (4) Associated company of Allgreen Properties (Shenyang) Pte. Ltd.
- (5) Associated companies of Allgreen Properties (Qinhuangdao) Pte. Ltd.
- (6) Associated company of Allgreen Properties (Shanghai) Pte. Ltd.
- (7) Associated company of Allgreen Properties (Tianjin) Pte. Ltd.

**Allgreen Properties Limited and its subsidiary companies**

**Notes to the financial statements  
For the financial year ended 31 December 2017**

**7. Associated companies (cont'd)**

The summarised financial information in respect of the Group's material investments in associated companies, Shanghai Pudong Kerry City Properties Co., Ltd, Tianjin Kerry Real Estate Development Co., Ltd and Wealthy Plaza Development (Chengdu) Ltd, based on their financial statements and a reconciliation with the carrying amount of the investments in the consolidated financial statements are as follow:

**Summarised balance sheet**

	<b>Shanghai Pudong Kerry City Properties Co., Ltd</b>	
	<b>As at 31 December 2017 \$'000</b>	<b>As at 31 December 2016 \$'000</b>
Current assets	48,977	25,019
Non-current assets	1,356,400	1,381,646
<b>Total assets</b>	<b>1,405,377</b>	<b>1,406,665</b>
Current liabilities	102,334	74,919
Non-current liabilities	319,790	324,721
<b>Total liabilities</b>	<b>422,124</b>	<b>399,640</b>
<b>Net assets</b>	<b>983,253</b>	<b>1,007,025</b>
Proportion of the Group's ownership	16%	16%
Group's share of net assets	157,320	161,124
Carrying amount of the investment	157,320	161,124

**Summarised statement of comprehensive income**

	<b>Shanghai Pudong Kerry City Properties Co., Ltd</b>	
	<b>2017 \$'000</b>	<b>2016 \$'000</b>
Revenue	208,926	203,193
Profit after tax from continuing operations	90,406	119,095
Other comprehensive income	—	—
<b>Total comprehensive income</b>	<b>90,406</b>	<b>119,095</b>

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements  
For the financial year ended 31 December 2017

7. Associated companies (cont'd)

Summarised balance sheet

	Tianjin Kerry Real Estate Development Co., Ltd	
	As at 31 December 2017 \$'000	As at 31 December 2016 \$'000
Current assets	94,428	144,693
Non-current assets	564,620	584,752
<b>Total assets</b>	<b>659,048</b>	<b>729,445</b>
Current liabilities	73,090	130,609
Non-current liabilities	232,398	254,200
<b>Total liabilities</b>	<b>305,488</b>	<b>384,809</b>
<b>Net assets</b>	<b>353,560</b>	<b>344,636</b>
Proportion of the Group's ownership	31%	31%
Group's share of net assets	109,604	106,837
Carrying amount of the investment	109,604	106,837

Summarised statement of comprehensive income

	Tianjin Kerry Real Estate Development Co., Ltd	
	2017 \$'000	2016 \$'000
Revenue	77,882	305,691
Profit after tax from continuing operations	13,667	49,718
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>13,667</b>	<b>49,718</b>

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements  
For the financial year ended 31 December 2017

7. Associated companies (cont'd)

Summarised balance sheet

	Wealthy Plaza Development (Chengdu) Ltd.	
	As at 31 December 2017 \$'000	As at 31 December 2016 \$'000
Current assets	276,533	196,346
Non-current assets	101,686	301,196
Total assets	378,219	497,542
Current liabilities	135,506	319,661
Non-current liabilities	356	—
Total liabilities	135,862	319,661
Net assets	242,357	177,881
Proportion of the Group's ownership	25%	25%
Group's share of net assets	60,589	44,470
Carrying amount of the investment	60,589	44,470

Summarised statement of comprehensive income

	Wealthy Plaza Development (Chengdu) Ltd.	
	2017 \$'000	2016 \$'000
Revenue	330,531	—
Profit/(loss) after tax from continuing operations	90,573	(4,594)
Other comprehensive income	—	—
Total comprehensive income	90,573	(4,594)

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements  
For the financial year ended 31 December 2017

8. Inventories

	Group	
	2017 \$'000	2016 \$'000
<b>Balance sheet:</b>		
Food and beverage	1	1
Operating supplies	44	53
	45	54
<b>Income statement:</b>		
Inventories recognised as an expense in cost of sales (Note 26)	4,184	3,832

9. Development properties

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<u>Completed properties held for sale</u>				
Costs and attributable profits	3,074,643	2,982,377	204,111	207,923
Progress billings	(2,977,625)	(2,556,616)	(196,349)	(175,480)
	97,018	425,761	7,762	32,443
<u>Properties under development</u>				
Costs and attributable profits	74,358	60,028	-	-
Progress billings	-	-	-	-
	74,358	60,028	-	-
Less: Impairment in value of development properties:				
At 1 January	8,507	8,507	-	-
Current year provision (Note 26)	12,474	-	1,002	-
Provision written back (Note 26)	(7,146)	-	-	-
Exchange rate difference	(1,361)	-	-	-
At 31 December	12,474	8,507	1,002	-
<b>Net carrying value</b>	158,902	477,282	6,760	32,443
<b>Income statement:</b>				
Development properties recognised as an expense in cost of sales (Note 26)	268,767	57,225		



Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements  
For the financial year ended 31 December 2017

9. Development properties (cont'd)

Details of the development properties held by the Group as at 31 December are as follows:

Project Name	Location	Description
<u>Completed properties</u>		
Pavilion Park	Bukit Batok Road, Singapore	Remaining units in the 552-unit, freehold landed development
Riverbay	Mar Thoma Road, Singapore	Remaining units in the 147-unit, 999 year leasehold development (commencing 2 June 1882)
SkySuites@Anson	Enggor Street, Singapore	Remaining units in the 365-unit, 99 year leasehold development (commencing 20 November 2007)
Suite@Orchard	Handy Road, Singapore	Remaining units in the 118-unit, 99 year leasehold condominium development (commencing from 27 June 2007)
The Sorrento	West Coast Road, Singapore	131-unit, freehold condominium development
RV Residences	River Valley Road, Singapore	Remaining units in the 248-unit, 999 year leasehold condominium development (commencing from 21 June 1877)
Riversails	Upper Serangoon Crescent, Singapore	Remaining units in the 920-unit, 99 year leasehold development (commencing 7 December 2011)
<u>Properties under development</u>		
Regency Park	District 2, Ho Chi Minh City, Vietnam	A mainly leasehold residential development (commencing 19 November 2007)
Vung Tau Regency	Vung Tau City, Ba Ria Vung Tau Province, Vietnam	A mainly leasehold residential development (commencing 3 July 2008)

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements  
For the financial year ended 31 December 2017

10. Trade receivables

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Trade receivables	6,416	4,035	–	17
Accrued receivables	–	720	–	–
	6,416	4,755	–	17
Allowance for impairment	(7)	(66)	–	–
<b>Total trade receivables</b>	6,409	4,689	–	17
Add:				
Other receivables (Note 11)	41,981	112,190	337	140
Cash and cash equivalents (Note 13)	589,308	759,219	506,966	635,736
Deposits (Note 12)	99,698	652	14,604	110
Loans to subsidiary companies (Note 6)	–	–	16,219	50,313
<b>Total loans and receivables</b>	737,396	876,750	538,126	686,316

Accrued receivables represent accrued sales for development properties that have not been served notice to take possession yet.

Trade receivables, excluding accrued receivables, generally have average credit terms of 7 to 30 (2016: 7 to 30) days. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Receivables that are past due but not impaired

The Group has trade receivables amounting to \$1,554,000 (2016: \$1,100,000) that are past due at the end of the reporting period but not impaired. These receivables, which relate primarily to sale of development properties and leasing at investment properties, are secured either via legal recourses that the Group has against the purchasers of development properties in the event of default or rental deposits obtained from the tenants. An analysis of their aging at the end of the reporting period is as follows:

	Group	
	2017 \$'000	2016 \$'000
Less than 30 days	943	859
31 to 60 days	413	122
61 to 90 days	156	38
More than 90 days	42	81
	1,554	1,100

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements  
For the financial year ended 31 December 2017

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10. Trade receivables (cont'd)

Receivables that are impaired

The Group's trade receivables that are impaired at the end of the reporting period and the movements in the allowance account used to record the impairment are as follows:

	Group	
	2017 \$'000	2016 \$'000
Trade receivables - nominal amounts	7	66
Allowance for impairment	(7)	(66)
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
Movements in allowance account:		
At 1 January	66	29
Charge for the year (Note 26)	23	102
Write-back to income statement (Note 26)	(82)	(65)
	<hr/>	<hr/>
At 31 December	7	66
	<hr/>	<hr/>

During the reporting period, the Group has made an allowance of \$23,000 (2016: \$102,000) for impairment and written back an allowance of \$82,000 (2016: \$65,000) subsequent to a debt recovery assessment.

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements  
For the financial year ended 31 December 2017

11. Other receivables

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Advances to non-controlling interests of subsidiary companies (i)	19,948	15,045	–	–
Loans to non-controlling shareholder of a subsidiary company (ii)	14,571	15,758	–	–
Non-trade amounts due from subsidiary companies	–	–	70	33
Non-trade amounts due from associated companies of subsidiary companies (iii)	7,357	5,221	–	–
Recoverable expenses	1,144	2,458	–	–
Value-added tax receivables	2,010	3,058	–	–
Dividend receivables	6,822	–	–	–
Net proceeds receivable from divestment of associated company	–	78,182	–	–
Others	390	347	267	107
	52,242	120,069	337	140
Less: Allowance for impairment on loans to non-controlling shareholder:				
At 1 January	7,879	7,699	–	–
Current year provision	3,000	–	–	–
Exchange difference	(618)	180	–	–
At 31 December	10,261	7,879	–	–
Total other receivables (Note 10)	41,981	112,190	337	140

(i) These advances arise from surplus funds of subsidiary companies. They are advanced in proportion to their respective shareholding structure and are unsecured, interest-free and repayable on demand.

(ii) Loans to non-controlling shareholder of subsidiary company comprise foreign currency loans totaling US\$10,890,000 (2016: US\$10,890,000), which is approximately S\$14,571,000 (2016: S\$15,758,000). An allowance for impairment loss of US\$7,671,000 (2016: US\$5,445,000), which is approximately S\$10,261,000 (2016: S\$7,879,000) has been made as the non-controlling shareholder has indicated that it would not be able to repay 70% of the loan amount if the Group demands immediate repayment. These loans are secured and non-interest bearing. As at 31 December 2017, the securities provided by the non-controlling shareholder for these loans are based on the original land use rights certificate of land plot are as detailed below:

- Approximately 28,412sqm of Truong Thanh Ward, District 9, Ho Chi Minh City, Vietnam

Pursuant to an appendix offshore loan agreement entered into between the subsidiary company and the non-controlling shareholder, the settlement date of these loans was extended from 30 June 2017 to 31 December 2018.

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements  
For the financial year ended 31 December 2017

11. Other receivables (cont'd)

- (iii) These amounts are unsecured, non-interest bearing and are repayable on demand. Included in the balance are amounts of \$7,205,000 (2016: \$5,161,000) that are denominated in USD.

Other receivables denominated in foreign currencies at period end are as follows:

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
United States Dollar	14,926	13,040	–	–
Renminbi	3,563	78,242	–	–

12. Deposits

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Current:</b>				
Deposit with a subsidiary company	–	–	107	107
Other deposits	316	652	4	3
	316	652	111	110
<b>Non-current:</b>				
Deposits for purchase of properties	101,717	2,525	14,493	–
Less: Allowance for impairment:				
At 1 January	2,525	2,468	–	–
Exchange difference	(190)	57	–	–
At 31 December	2,335	2,525	–	–
Net carrying value	99,382	–	14,493	–

Deposits for purchase of properties comprise of the following items:

- (i) 5% of a land value which amounted to US\$1,745,000 (2016: US\$1,745,000) paid for a site at Dong Nai Riverfront in Vietnam. As the Group does not have the intention to proceed with the project and the counterparty has indicated that they face difficulty in refunding the deposit, a full allowance for impairment loss has been made.
- (ii) Deposits and other transaction-related costs relate to the acquisition of land parcels at Bukit Timah Road, Fourth Avenue and Ewe Boon Road in Singapore.

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements  
For the financial year ended 31 December 2017

13. Cash and cash equivalents

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Fixed deposits	551,371	722,779	505,271	633,645
Cash and bank balances:				
Current accounts	37,937	36,440	1,695	2,091
	<u>589,308</u>	<u>759,219</u>	<u>506,966</u>	<u>635,736</u>

Cash and bank balances denominated in foreign currencies at 31 December are as follows:

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
United States Dollar	4,217	8,904	–	–
Vietnamese Dong	41	1,779	–	–
	<u>4,258</u>	<u>10,683</u>	<u>–</u>	<u>–</u>

14. Share capital

	Group and Company	
	2017 \$'000	2016 \$'000
<b>Issued and fully paid:</b>		
1,590,381,075 (2016: 1,590,381,075) ordinary shares	1,177,185	1,177,185

The holder of ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share at shareholder meetings. All shares rank equally with regard to the Company's residual assets. The ordinary shares have no par value.

15. Reserves

(a) **Asset revaluation reserve**

Asset revaluation reserve represents increases in the fair value of hotel property, net of tax.

(b) **Foreign currency translation reserve**

Foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Company.



## Allgreen Properties Limited and its subsidiary companies

### Notes to the financial statements For the financial year ended 31 December 2017

#### 16. Loans from non-controlling interests

Included in non-controlling interests are quasi-equity (net investments) loans of \$30,000 (2016: \$8,132,000). These loans, together with interest-bearing loans of \$Nil (2016: \$3,682,000) from non-controlling interests of subsidiary companies, were granted in proportion to their respective shareholdings.

Loans totaling \$Nil (2016: \$4,120,000) are subordinated to the bank borrowings of the subsidiary companies.

The quasi-equity loans are unsecured and repayments are neither planned nor likely to occur in the foreseeable future, whilst the interest-bearing loans are not expected to be repaid within the next 12 months.

The carrying values of these loans approximate their fair values. The effective interest rate is Nil% (2016: 2.55%) per annum.

#### 17. Borrowings

	Interest rates	Maturity	Group	
			2017 \$'000	2016 \$'000
<b>Current:</b>				
Secured term loans <sup>(a)</sup>	1.45% - 2.15% (2016: 1.27% - 2.80%)	2018 (2016: 2017)	21,000	21,000
Secured term loans <sup>(c)</sup>	1.59% (2016: 1.81%)	2018 (2016: 2017)	10,000	30,000
			31,000	51,000
<b>Non-current:</b>				
Secured term loans <sup>(a)</sup>	1.45% - 2.15% (2016: 1.27% - 2.80%)	2020 (2016: 2020)	580,500	601,500
Secured revolving credit loans <sup>(a)</sup>	1.44% - 2.24% (2016: 1.22% - 2.63%)	2020 (2016: 2020)	591,000	586,250
Secured bank loan <sup>(b)</sup>	Nil% (2016: 1.42%)	2018 (2016: 2018)	–	25,000
Secured term loans <sup>(c)</sup>	1.59% (2016: Nil%)	2020 (2016: 2018)	15,000	–
			1,186,500	1,212,750
Total borrowings			1,217,500	1,263,750

## Allgreen Properties Limited and its subsidiary companies

### Notes to the financial statements For the financial year ended 31 December 2017

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#### 17. Borrowings (cont'd)

Borrowings and other financial facilities granted to the Group are secured by the following:

- (a) These loans are secured by investment properties of the subsidiaries and related insurance policies and tenancy agreements.
- (b) The bank loan is secured by a first legal mortgage on the development properties, and rights to a subsidiary's assets.
- (c) Included in these facilities are borrowings which are covered by a corporate guarantee provided by the Company. During the year, the Group has entered into a refinancing agreement, with instalments commencing from 29 December 2017 until final repayment on 30 June 2020.

A reconciliation of liabilities arising from financing activities is as follows:

	2016	Cash flows	Non-cash changes	2017
	\$'000	\$'000	\$'000	\$'000
Bank borrowings	1,263,750	(46,250)	–	1,217,500

#### 18. Rental deposits

Included in rental deposits are amounts totalling \$752,000 (2016: \$806,000) received from a shareholder of the holding company and its fellow subsidiary companies.

**Allgreen Properties Limited and its subsidiary companies**

**Notes to the financial statements  
For the financial year ended 31 December 2017**

**19. Deferred tax liabilities**

	<b>Group</b>		<b>Company</b>	
	<b>2017</b> \$'000	<b>2016</b> \$'000	<b>2017</b> \$'000	<b>2016</b> \$'000
As at beginning	86,136	107,466	–	1,772
Transfer to income statement:				
- current year (Note 27)	(8,160)	(32,485)	–	–
Over provision in respect of prior years (Note 27)	(133)	(1,180)	–	–
Gain on revaluation of property, plant and equipment	3,996	12,335	–	–
Transfer to current tax provision	–	–	–	(1,772)
As at end	81,839	86,136	–	–

The balance represents tax on the following temporary differences:

	<b>Group</b>		<b>Company</b>	
	<b>2017</b> \$'000	<b>2016</b> \$'000	<b>2017</b> \$'000	<b>2016</b> \$'000
Excess of net book value over tax written down value of qualifying property, plant and equipment	17,924	16,640	–	–
Income recognition of development properties	25	9,602	–	–
Revaluation surplus of property, plant and equipment	63,890	59,894	–	–
	81,839	86,136	–	–

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements  
For the financial year ended 31 December 2017

20. Trade payables

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
External parties	58,921	61,628	3,211	4,163
Amounts due to subsidiary companies	–	–	400	4
Amounts due to associated company of a subsidiary company	16	18	–	–
Amount due to related companies	–	68	–	–
<b>Total trade payables</b>	<b>58,937</b>	<b>61,714</b>	<b>3,611</b>	<b>4,167</b>
Add:				
Other payables (Note 21)	3,925	6,693	14	14
Advances from subsidiary companies (Note 22)	–	–	327,455	293,250
Advances from associated companies	50	100	–	–
Loans from non-controlling interests of subsidiary companies (Note 16)	–	3,682	–	–
Rental deposits (Note 18)	20,723	21,818	–	–
Borrowings (Note 17)	1,217,500	1,263,750	–	–
<b>Total financial liabilities carried at amortised cost</b>	<b>1,301,135</b>	<b>1,357,757</b>	<b>331,080</b>	<b>297,431</b>

Trade payables generally have average credit term of 30 (2016: 30) days.

Amounts due to subsidiary companies, associated company and related companies are interest-free and generally have average credit terms of 14 (2016: 14) days.

21. Other payables

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Deposits received	385	113	14	14
Retentions	512	675	–	–
Accruals	1,124	4,756	–	–
Other payables	1,904	1,149	–	–
	<b>3,925</b>	<b>6,693</b>	<b>14</b>	<b>14</b>

## Allgreen Properties Limited and its subsidiary companies

### Notes to the financial statements For the financial year ended 31 December 2017

#### 22. Advances from subsidiary companies

These advances are interest free, unsecured and repayable on demand.

#### 23. Derivative liabilities

The Group entered into interest rate swaps to manage its exposure to interest rate movements on its floating rate interest-bearing borrowings by swapping the interest expense on these borrowings from floating rates to fixed rates.

The Group held interest rate swaps with a total notional amount of \$300.8 million (2016: \$Nil) to provide fixed rate funding for terms of 2.4 years till 31 May 2020.

#### 24. Revenue

Revenue includes those from sale of development properties, hotel operations, project and property management fees, marketing fees, estate agency fees, income from construction contracts, interior works and building supplies, rental and related income from investment properties, but excludes applicable goods and services tax.

Revenue by significant categories is detailed as follows:

	Group	
	2017 \$'000	2016 \$'000
Sale of development properties	366,856	93,382
Rental and related income from investment properties	111,518	116,201
Revenue from hotel operations	48,854	40,914
Others	375	1,105
	527,603	251,602

#### 25. Other income

	Group	
	2017 \$'000	2016 \$'000
Recovery income – electricity	4,687	4,662
Interest income	3,254	2,948
Advertising and promotion collections	1,101	1,234
Foreign exchange gain	29	552
Forfeiture income	–	50
Net gain on divestment of equity interest in associated company	–	25,642
Rental income	2,959	2,580
Others	1,388	1,534
	13,418	39,202

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements

For the financial year ended 31 December 2017

26. Profit before taxation

	Group	
	2017	2016
	\$'000	\$'000
Profit before taxation is arrived at after including the following:		
Cost of development properties included in cost of sales (Note 9)	(268,767)	(57,225)
Impairment in value of development properties (Note 9)	(5,328)	–
Depreciation of property, plant and equipment (Note 4)	(17,505)	(16,131)
Inventories recognised as cost of sales (Note 8)	(4,184)	(3,832)
Gain/(loss) on disposal of property, plant and equipment	46	(40)
Directors' remuneration and fees		
- Salaries, bonuses and fees	(2,100)	(1,624)
- CPF contributions	(46)	(26)
Staff costs (excluding directors' remuneration and fees)		
- Salaries, bonus and other related costs	(26,997)	(25,460)
- CPF contributions	(2,147)	(2,102)
Other expenses		
- Utilities	(3,374)	(3,525)
- Incidental expenses	(10,507)	(6,363)
- Foreign exchange (loss)/gain (net)	(2,475)	552
- Amount written back/(allowance) for impairment loss of trade receivables (net) (Note 10)	59	(37)
Interest expense from bank loans	(19,034)	(17,067)



**Allgreen Properties Limited and its subsidiary companies**

**Notes to the financial statements  
For the financial year ended 31 December 2017**

**27. Taxation**

	<b>Group</b>	
	<b>2017</b>	<b>2016</b>
	\$'000	\$'000
Current taxation	33,388	48,699
(Over)/Under provision in respect of prior years	(1,406)	3,457
Withholding tax	1,970	2,406
	<u>33,952</u>	<u>54,562</u>
Deferred taxation (Note 19)	(8,160)	(32,485)
Over provision in respect of prior years (Note 19)	(133)	(1,180)
	<u>(8,293)</u>	<u>(33,665)</u>
Total	<u>25,659</u>	<u>20,897</u>

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December is as follows:

	<b>Group</b>	
	<b>2017</b>	<b>2016</b>
	\$'000	\$'000
Profit before taxation	197,832	178,178
Share of results of associated companies, net of taxation	(50,538)	(36,732)
	<u>147,294</u>	<u>141,446</u>
Tax at statutory rate of 17% (2016: 17%)	25,040	24,046
Adjustments:		
- Non-deductible expenses	11,636	8,055
- Non-taxable income	(8,319)	(15,241)
- Exempt income	(285)	(285)
- Utilisation of deferred tax assets on temporary differences not recognised in prior years	(2,822)	(279)
- Benefits on temporary differences not recognised	52	104
- (Over)/under provision of taxation in respect of prior years	(1,539)	2,277
- Withholding tax	1,970	2,406
- Tax rebate	(100)	(220)
- Others	26	34
	<u>25,659</u>	<u>20,897</u>

**Allgreen Properties Limited and its subsidiary companies**

**Notes to the financial statements  
For the financial year ended 31 December 2017**

**28. Dividends paid on ordinary shares**

	<b>Group and Company</b>	
	<b>2017</b>	<b>2016</b>
	\$'000	\$'000
Ordinary dividends paid:		
Interim tax exempt (one-tier) dividend for 2017: \$0.31 (2016: \$Nil ) per share	500,016	-
	500,016	-

**29. Commitments**

- (a) Commitments contracted but not provided for in the financial statements are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	\$'000	\$'000	\$'000	\$'000
Development expenditure	21,921	25,550	-	-

- (b) Uncalled capital contributions in subsidiary companies and associated companies in:

	<b>Group</b>		<b>Company</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	\$'000	\$'000	\$'000	\$'000
<u>Vietnam</u>				
Ho Chi Minh City	372	402	-	-

**Allgreen Properties Limited and its subsidiary companies**

**Notes to the financial statements  
For the financial year ended 31 December 2017**

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**29. Commitments (cont'd)**

(c) Operating lease commitment:

***As lessor:***

The Group has entered into commercial property leases on its investment properties and its completed properties. These non-cancellable leases have remaining lease terms of between 1 to 64 (2016: 1 to 60) months. The Group has earned contingent rents of \$850,000 (2016: \$1,020,000) during the financial year.

Future minimum lease receivables under non-cancellable operating leases at the end of the reporting period are as follows:

	<b>Group</b>	
	<b>2017</b>	<b>2016</b>
	\$'000	\$'000
Not later than one year	68,754	72,316
Later than one year but not later than five years	65,988	66,418
Later than 5 years	597	-
	135,339	138,734

(d) Indemnities:

	<b>Group and Company</b>	
	<b>2017</b>	<b>2016</b>
	\$'000	\$'000
Indemnities given to financial institutions for performance guarantees granted	37,580	38,440

**30. Financial support**

As at 31 December 2017 and 2016 the Company has provided financial support to certain subsidiary companies to enable them to continue as going concerns. The aggregate net deficit position of these subsidiary companies as at 31 December 2017 amounted to \$57,349,000 (2016: \$37,168,000).

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements

For the financial year ended 31 December 2017

31. Significant related party transactions

Other than the related party information disclosed elsewhere in the financial statements, the following are significant related party transactions entered into by the Group and the Company with related parties at negotiated rates:

	Group		Company	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<u>With subsidiary companies</u>				
Accounting and secretarial fees received	—	—	959	1,009
Management fees received	—	—	528	528
Project management fee received	—	—	—	607
Interest income	—	—	5,469	10,293
Interest expense	—	—	—	—
Office rental and related charges	—	—	678	686
Marketing and administration fees paid	—	—	849	150
Project management fee paid	—	—	25	—
<u>With corporate shareholder and subsidiary companies of its immediate holding company</u>				
Lease rental received	4,783	5,019	—	—
Treasury services paid	300	300	300	300
Support service fees paid	410	768	410	768
<u>With associated company</u>				
Laundry services paid	1,003	926	—	—
<u>With related companies</u>				
Hotel management fees and royalties paid	1,653	1,238	—	—
Marketing and administration fees paid	1,064	911	—	—
<u>With key management personnel</u>				
Salaries, directors' fees and other short-term employee benefits	6,237	5,945	4,021	3,928
CPF contributions	276	225	168	114
Comprise amount paid to:				
Directors of the Company	2,193	1,708	2,193	1,708
Other key management personnel	4,320	4,462	1,996	2,334

**32. Financial risk management objectives and policies**

The Group is exposed to credit risk, foreign currency risk, interest rate risk, and liquidity risk arising in the normal course of business. Management continually monitors the Group's risk management process to ensure that appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

There have been no changes to the Group's exposure to these financial risks or the manner in which it manages and measures these risks.

(a) **Credit risk**

Credit risk is the risk of a financial loss that may arise on outstanding financial instruments should a counter-party default on its obligation.

Trade receivables comprise mainly from the Group's customers who bought residential units at development properties and tenants of commercial properties.

The following situations may give rise to credit risk:

The tenants of investment properties and purchasers of development properties may default on their obligations to pay the amounts owing to the Group. For investment properties, the Group's policy is to obtain sufficient rental deposits or bankers' guarantees, where appropriate, to mitigate credit risk. For development 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.

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

The maximum exposure to credit risk is represented by the carrying amount of each class of financial assets in the balance sheets, except as follows:

	<b>Company</b>	
	<b>2017</b>	<b>2016</b>
	\$'000	\$'000
Corporate guarantees provided to financial institutions on subsidiary and associated companies' utilised credit facilities	51,236	77,560

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Credit risk concentration profile

At the end of the reporting period, the Group does not have any significant concentration risk.

32. Financial risk management objectives and policies (cont'd)

(a) **Credit risk (cont'd)**

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and short-term deposits are placed with or entered into with reputable financial institutions or counterparties with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Notes 10 and 11.

(b) **Foreign currency risk**

Foreign currency risk arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Group is exposed to foreign currency risk on currencies other than Singapore Dollar.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before taxation to a reasonably possible change in the USD and RMB exchange rate against the respective functional currencies of the Group entities, with all other variables held constant:

	Group	
	2017 Profit before taxation \$'000	2016 Profit before taxation \$'000
<u>Increase/(decrease)</u>		
USD/SGD		
- strengthened by 5% (2016: 5%)	544	403
- weakened by 5% (2016: 5%)	(544)	(403)
RMB/SGD		
- strengthened by 5% (2016: 5%)	171	3,909
- weakened by 5% (2016: 5%)	(171)	(3,909)



32. Financial risk management objectives and policies (cont'd)

(c) **Interest rate risk**

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Group's exposure to interest rate risk arises primarily from its interest-bearing deposits and borrowings from financial institutions.

The Group's policy is to minimise its interest rate risk exposures while obtaining sufficient funds for business expansion and working capital needs. To achieve this, the Group regularly assesses and monitors its cash with reference to its business plans and day-to-day operations.

The Group manages its interest cost by using a mix of fixed and variable rate borrowings, and medium term notes.

Sensitivity analysis for interest rate risk

Movement in interest rates will have an impact on the Group's financial assets and liabilities. A change of 50 basis points ("bp") in interest rates at the reporting date would change profit before taxation by the amounts shown below. This analysis assumes that all other variables remain constant.

	Group		Company	
	2017	2016	2017	2016
	Profit before taxation		Profit before taxation	
<u>Increase/(decrease)</u>	\$'000	\$'000	\$'000	\$'000
Interest rate				
- decrease by 50 bp	4,551	6,142	(29)	(61)
- increase by 50 bp	(4,551)	(6,142)	29	61

(d) **Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from the mismatches of maturities of financial assets and liabilities.

The Group monitors its liquidity needs by closely monitoring scheduled debt servicing payments for financial institutions and its cash outflows due to day-to-day operations, as well as ensuring the availability of funding through an adequate amount of credit facilities, both committed and uncommitted.

The Group also monitors its gearing closely. Details of its gearing are set out in Note 34 to the financial statements.

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements  
For the financial year ended 31 December 2017

32. Financial risk management objectives and policies (cont'd)

(d) *Liquidity risk (cont'd)*

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations:

Group	2017			2016		
	Less than 1 year \$'000	2 to 5 years \$'000	Total \$'000	Less than 1 year \$'000	2 to 5 years \$'000	Total \$'000
<b>Financial assets:</b>						
Trade and other receivables	48,390	–	48,390	116,879	–	116,879
Deposits	316	99,382	99,698	652	–	652
Cash and cash equivalents	589,308	–	589,308	759,219	–	759,219
<b>Total undiscounted financial assets</b>	<b>638,014</b>	<b>99,382</b>	<b>737,396</b>	<b>876,750</b>	<b>–</b>	<b>876,750</b>
<b>Financial liabilities:</b>						
Trade and other payables and rental deposits	71,449	12,136	83,585	77,126	13,162	90,288
Loans from non-controlling interest of subsidiary companies (interest-bearing)	–	–	–	–	3,682	3,682
Advances from associated companies	50	–	50	100	–	100
Borrowings (interest-bearing)	56,470	1,221,393	1,277,863	41,575	1,304,294	1,345,869
Derivative financial liabilities	–	1,884	1,884	–	–	–
<b>Total undiscounted financial liabilities</b>	<b>127,969</b>	<b>1,235,413</b>	<b>1,363,382</b>	<b>118,801</b>	<b>1,321,138</b>	<b>1,439,939</b>
<b>Total net undiscounted financial assets/ (liabilities)</b>	<b>510,045</b>	<b>(1,136,031)</b>	<b>(625,986)</b>	<b>757,949</b>	<b>(1,321,138)</b>	<b>(563,189)</b>

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements  
For the financial year ended 31 December 2017

32. Financial risk management objectives and policies (cont'd)

(d) *Liquidity risk (cont'd)*

Company	2017			2016		
	Less than 1 year \$'000	2 to 5 years \$'000	Total \$'000	Less than 1 year \$'000	2 to 5 years \$'000	Total \$'000
<b>Financial assets:</b>						
Trade and other receivables	337	–	337	157	–	157
Deposits	111	14,493	14,604	110	–	110
Cash and cash equivalents	506,966	–	506,966	635,736	–	635,736
Loans to subsidiary companies (interest-bearing)	–	16,219	16,219	–	50,313	50,313
<b>Total undiscounted financial assets</b>	<b>507,414</b>	<b>30,712</b>	<b>538,126</b>	<b>636,003</b>	<b>50,313</b>	<b>686,316</b>
<b>Financial liabilities:</b>						
Trade and other payables	3,625	–	3,625	4,181	–	4,181
Advances from subsidiary companies	327,455	–	327,455	293,250	–	293,250
<b>Total undiscounted financial liabilities</b>	<b>331,080</b>	<b>–</b>	<b>331,080</b>	<b>297,431</b>	<b>–</b>	<b>297,431</b>
<b>Total net undiscounted financial assets</b>	<b>176,334</b>	<b>30,712</b>	<b>207,046</b>	<b>338,572</b>	<b>50,313</b>	<b>388,885</b>

Construction delays can result in loss of revenue. The failure to complete construction of a project according to its planned specifications or schedule may result in liabilities, reduced project efficiency and lower returns. The Group manages this risk by closely monitoring the progress of all projects through all stages of construction.

33. Fair values of assets and liabilities

(a) *Fair value hierarchy*

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- 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.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

*Level 2 fair value measurements*

Derivative financial instruments

The fair value of interest rate swap contracts is obtained from an independent financial institution. Valuation techniques using assumptions based on market conditions existing as at balance sheet date are used in the determination of the fair value of interest rate swaps.

*Level 3 fair value measurements*

The Group's hotel property and investment properties are categorised within Level 3 of the fair value hierarchy as the properties' fair values are determined based on comparable market transactions adjusted for significant unobservable inputs such as size, condition and remaining tenure relating to the specific property.

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3).

Description	Fair value at 31 December 2017	Valuation techniques	Unobservable inputs	Range
Hotel property	\$490,000,000 (2016: \$480,000,000)	Market comparison method	Open market value on per room key basis	\$867,000 (2016: \$850,000)
Investment properties	\$2,102,000 (2016: \$2,077,000,000)	Market comparison method	Open market value on net lettable area basis (commercial and retail)	\$1,643 - \$2,199 (2016: \$1,596 - \$2,151) psf
			Open market value on per room key basis (serviced apartment)	\$1,450,000 (2016: \$1,450,000)

33. Fair values of assets and liabilities (cont'd)

(a) *Fair value hierarchy (cont'd)*

A significant increase/(decrease) in the above unobservable inputs used in management's assumptions would result in a significantly higher/(lower) fair value measurement.

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts to perform the valuation.

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, external valuation experts are requested to calibrate the valuation models and inputs to actual market transactions (which may include transactions entered into by the Group with third parties as appropriate) that are relevant to the valuation if such information are reasonably available. For valuations that are sensitive to the unobservable inputs used, external valuation experts may, to the extent practicable, use a minimum of two valuation approaches to allow for cross-checks.

(b) *Fair values of assets and liabilities by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value*

The carrying values of the following financial assets and liabilities are reasonable approximations of fair values either due to their short-term nature or that they are repriced at market rates at or near the end of the reporting period: Cash and cash equivalents, trade and other receivables, deposits, loans from non-controlling interests of subsidiary companies, advances from subsidiary companies and associated companies, rental deposits, bank borrowings and trade and other payables.

Loans to subsidiary companies and associated companies: It is not practicable to determine the fair value of the quasi-equity loans, as the timing of future cash flows arising from these balances cannot be measured reliably. The interest-bearing portion of the loans to subsidiary companies is a reasonable approximation of its fair value, as it is a floating instrument repriced to market interest rates on annual basis.

**34. 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 issue new shares, adjust the amount of dividend payment, obtain new borrowings or sell assets to reduce borrowings, subject to the provisions of the Company's Memorandum and Articles of Association, and the Singapore Companies Act, Cap 50. The Group monitors capital using a gearing ratio, which is net debt divided by total equity. The Group's current strategy is to maintain the gearing ratio below 1.2 times.

	<b>Group</b>	
	<b>2017</b>	<b>2016</b>
	\$'000	\$'000
Borrowings	1,217,500	1,263,750
Less: Cash and cash equivalents	(589,308)	(759,219)
Net debt	<u>628,192</u>	<u>504,531</u>
Total equity	<u>2,773,638</u>	<u>3,131,445</u>
Gearing	<u>0.23</u>	<u>0.16</u>



**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ALLGREEN  
PROPERTIES LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR  
ENDED 31 DECEMBER 2018**

*The information in this Appendix III has been extracted and reproduced from the audited consolidated financial statements of Allgreen Properties Limited and its subsidiaries for the financial year ended 31 December 2018 and has not been specifically prepared for inclusion in this Information Memorandum.*

Company Registration No. 198601009N

Allgreen Properties Limited and  
its subsidiary companies

Annual Report  
For the financial year ended 31 December 2018



Building a better  
working world

## Allgreen Properties Limited and its subsidiary companies

### General Information

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#### Directors

Kuok Oon Kwong (Mdm)  
Lee Yew Kwung  
Teo Keng Chiong  
Michael Chang Teck Chai (Resigned on 15 May 2018)  
Suraya Bte Abdullah @ Kuok Suon Kwong (Mdm)  
Yong Hsin Yue (Mdm)  
Simon Ho  
Thai Kum Foon (Appointed on 30 July 2018)  
Andy Soh, Alternate Director to Yong Hsin Yue (Appointed on 30 July 2018)

#### Company Secretary

Tan Isoo

#### Registered Office

1 Kim Seng Promenade  
#07-01 Great World City  
Singapore 237994

#### Principal Bankers

Standard Chartered Bank  
DBS Bank Limited  
The Hongkong and Shanghai Banking Corporation Limited  
Malayan Banking Berhad  
Overseas-Chinese Banking Corporation Limited  
United Overseas Bank Limited

#### Auditor

Ernst & Young LLP

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## **Allgreen Properties Limited and its subsidiary companies**

### **Directors' Statement**

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The directors are pleased to present their statement to the member together with the audited consolidated financial statements of Allgreen Properties Limited (the "Company") and its subsidiary companies (collectively, the "Group"), and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2018.

#### **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 2018 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.

#### **Directors**

The directors of the Company in office at the date of this statement are:

Kuok Oon Kwong (Mdm)  
Lee Yew Kwung  
Teo Keng Chiong  
Suraya Bte Abdullah @ Kuok Suon Kwong (Mdm)  
Yong Hsin Yue (Mdm)  
Simon Ho  
Thai Kum Foon (Appointed on 30 July 2018)  
Andy Soh, Alternate Director to Yong Hsin Yue (Appointed on 30 July 2018)

In accordance with Article 94 of the Company's Articles of Association, Kuok Oon Kwong and Suraya Bte Abdullah @ Kuok Suon Kwong retire from the Board at the Annual General Meeting and being eligible, offer themselves for re-election.

In accordance with Article 95 of the Company's Articles of Association, Thai Kum Foon and Andy Soh retire from the Board at the Annual General Meeting and being eligible, offer themselves for re-election.

#### **Arrangements to enable directors to acquire shares and debentures**

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

#### **Directors' interests in shares and debentures**

According to the Register of Directors' Shareholdings' required to be kept by the Company under Section 164 of the Singapore Companies Act, Cap. 50, none of the directors who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of the related corporations, either at the beginning of the financial year or at the end of the financial year.

**Allgreen Properties Limited and its subsidiary companies**

**Directors' Statement**

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**Options**

No options were granted during the financial year to take up unissued shares of the Company or of its subsidiary companies.

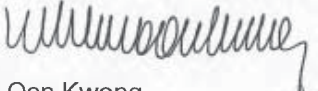
No shares were issued by virtue of the exercise of options.

There were no unissued shares of the Company or of its subsidiary companies under option at the end of the financial year.

**Auditors**

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditors.

On behalf of the board of directors:



Kuok Oon Kwong  
Chairman



Lee Yew Kwung  
Chief Executive Officer

Singapore  
26 April 2019

## **Allgreen Properties Limited and its subsidiary companies**

### **Independent Auditor's Report For the financial year ended 31 December 2018**

#### **Independent Auditor's Report to the Member of Allgreen Properties Limited**

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### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Allgreen Properties Limited (the Company) and its subsidiaries (collectively, the Group), which comprise the balance sheets of the Group and the Company as at 31 December 2018, the statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity 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 financial position of the Group and the financial position of the Company as at 31 December 2018 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 year ended on that date.

#### **Basis for Opinion**

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

#### **Other Information**

Management is responsible for other information. The other information comprises the information included in the annual report, 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 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.



## **Allgreen Properties Limited and its subsidiary companies**

### **Independent Auditor's Report For the financial year ended 31 December 2018**

#### **Independent Auditor's Report to the Member of Allgreen Properties Limited (cont'd)**

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#### **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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

**Allgreen Properties Limited and its subsidiary companies**

**Independent Auditor's Report  
For the financial year ended 31 December 2018**

**Independent Auditor's Report to the Member of Allgreen Properties Limited (cont'd)**

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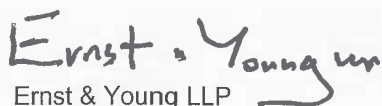
**Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)**

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

  
Ernst & Young LLP

Public Accountants and  
Chartered Accountants  
Singapore

26 April 2019

**Allgreen Properties Limited and its subsidiary companies**

**Balance Sheets  
As at 31 December 2018**

	Note	Group		Company	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	4	500,345	497,058	175	309
Investment properties	5	2,120,000	2,102,000	–	–
Deposits	12	–	99,382	–	14,493
Other assets		20,614	495	–	–
Subsidiary companies	6	–	–	1,505,058	1,313,998
Associated companies	7	662,874	692,130	–	–
		<b>3,303,833</b>	<b>3,391,065</b>	<b>1,505,233</b>	<b>1,328,800</b>
<b>Current assets</b>					
Inventories	8	46	45	–	–
Development properties	9	1,367,954	158,902	195,417	6,760
Trade receivables	10	6,996	6,409	507	–
Other receivables	11	44,698	41,981	449	337
Deposits	12	443	316	168	111
Prepayments		1,590	1,458	251	37
Cash and cash equivalents	13	430,396	589,308	395,721	506,966
		<b>1,852,123</b>	<b>798,419</b>	<b>592,513</b>	<b>514,211</b>
<b>Total assets</b>		<b>5,155,956</b>	<b>4,189,484</b>	<b>2,097,746</b>	<b>1,843,011</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owner of the Company</b>					
Share capital	14	1,177,185	1,177,185	1,177,185	1,177,185
Reserves	15	187,192	196,139	–	–
Retained earnings		1,106,896	1,019,343	540,128	334,722
		<b>2,471,273</b>	<b>2,392,667</b>	<b>1,717,313</b>	<b>1,511,907</b>
<b>Non-controlling interests</b>	16	366,629	380,971	–	–
<b>Total equity</b>		<b>2,837,902</b>	<b>2,773,638</b>	<b>1,717,313</b>	<b>1,511,907</b>

**Allgreen Properties Limited and its subsidiary companies**

**Balance Sheets  
As at 31 December 2018**

	Note	Group		Company	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Non-current liabilities</b>					
Long-term borrowings	17	2,086,532	1,186,500	136,933	–
Rental deposits	18	10,658	12,136	–	–
Deferred tax liabilities	19	85,637	81,839	–	–
Derivative financial liabilities	20	3,923	1,884	238	–
		2,186,750	1,282,359	137,171	–
<b>Current liabilities</b>					
Trade payables	21	64,592	58,937	3,751	3,611
Rental deposits	18	11,774	8,587	–	–
Other payables	22	6,588	3,925	395	14
Advances from subsidiary companies	23	–	–	237,700	327,455
Advances from associated companies		50	50	–	–
Borrowings	17	31,000	31,000	–	–
Provision for taxation		17,300	30,988	1,416	24
		131,304	133,487	243,262	331,104
<b>Total liabilities</b>		2,318,054	1,415,846	380,433	331,104
<b>Total equity and liabilities</b>		5,155,956	4,189,484	2,097,746	1,843,011
<b>Net current assets</b>		1,720,819	664,932	349,251	183,107
<b>Net assets</b>		2,837,902	2,773,638	1,717,313	1,511,907

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

**Allgreen Properties Limited and its subsidiary companies**

**Consolidated Income Statement  
For the financial year ended 31 December 2018**

	Note	Group	
		2018 \$'000	2017 \$'000
<b>Revenue</b>	24	297,391	527,603
Cost of sales		(145,181)	(322,482)
<b>Gross profit</b>		152,210	205,121
Other income	25	9,413	13,418
Distribution and selling expenses		(14,707)	(6,908)
Administrative expenses		(25,107)	(26,660)
Other expenses		(24,375)	(33,982)
Finance costs		(22,223)	(20,016)
Share of results of associated companies		24,114	50,538
<b>Profit before fair value changes on investment properties, financial derivatives and impairment in value of development properties</b>		99,325	181,511
Fair value gain on investment properties	5	18,001	23,533
Net change in fair value of derivative financial liabilities	20	(2,039)	(1,884)
Impairment in value of development properties	9	–	(5,328)
<b>Profit before taxation</b>	26	115,287	197,832
Taxation	27	(20,366)	(25,659)
<b>Profit for the year</b>		94,921	172,173
<b>Profit attributable to:</b>			
Owner of the Company		87,553	153,785
Non-controlling interests		7,368	18,388
		94,921	172,173

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

Allgreen Properties Limited and its subsidiary companies

Consolidated Statement of Comprehensive Income  
For the financial year ended 31 December 2018

	Note	Group	
		2018 \$'000	2017 \$'000
<b>Profit for the year</b>		94,921	172,173
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Revaluation surplus on property, plant and equipment		19,475	23,507
Deferred tax liabilities on revaluation surplus		(3,311)	(3,996)
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation		(17,896)	(19,547)
Other comprehensive income for the year, net of taxation		(1,732)	(36)
<b>Total comprehensive income for the year</b>		<b>93,189</b>	<b>172,137</b>
<b>Total comprehensive income attributable to:</b>			
Owner of the Company		78,606	145,242
Non-controlling interests		14,583	26,895
		<b>93,189</b>	<b>172,137</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



Allgreen Properties Limited and subsidiary companies

Statements of Changes in Equity  
For the financial year ended 31 December 2018

Group	Attributable to owner of the Company						Total equity \$'000	
	Share capital (Note 14) \$'000	Reserves, total \$'000	Asset revaluation reserve (Note 15) \$'000	Foreign currency translation reserve (Note 15) \$'000	Retained earnings \$'000	Equity attributable to owner of the Company, total \$'000		Non-controlling interests \$'000
<b>As at 1 January 2018</b>	1,177,185	196,139	172,810	23,329	1,019,343	2,392,667	380,971	2,773,638
Profit for the year	-	-	-	-	87,553	87,553	7,368	94,921
<u>Other comprehensive income</u>								
Revaluation surplus on property, plant and equipment	-	10,789	10,789	-	-	10,789	8,686	19,475
Deferred tax expense on revaluation surplus	-	(1,834)	(1,834)	-	-	(1,834)	(1,477)	(3,311)
Foreign currency translation	-	(17,902)	-	(17,902)	-	(17,902)	6	(17,896)
Other comprehensive income for the year	-	(8,947)	8,955	(17,902)	-	(8,947)	7,215	(1,732)
<b>Total comprehensive income for the year, net of tax</b>	-	(8,947)	8,955	(17,902)	87,553	78,606	14,583	93,189

Allgreen Properties Limited and subsidiary companies

Statements of Changes in Equity  
For the financial year ended 31 December 2018

Group	Note	Attributable to owner of the Company								
		Share capital (Note 14) \$'000	Reserves, total \$'000	Asset revaluation reserve (Note 15) \$'000	Foreign currency translation reserve (Note 15) \$'000	Retained earnings \$'000	Equity attributable to owner of the Company, total \$'000	Non-controlling interests \$'000	Total equity \$'000	
<u>Contribution by and distributions to owner</u>										
		-	-	-	-	-	-	-	(28,925)	(28,925)
Dividends paid to non-controlling interests of a subsidiary company										
		-	-	-	-	-	-	-	(28,925)	(28,925)
<b>Total transactions with owner in its capacity as owner</b>										
		1,177,185	187,192	181,765	5,427	1,106,896	2,471,273	366,629	2,837,902	
<b>As at 31 December 2018</b>										

**Allgreen Properties Limited and subsidiary companies**

**Statements of Changes in Equity  
For the financial year ended 31 December 2018**

Group	Attributable to owner of the Company					Total equity \$'000		
	Share capital (Note 14) \$'000	Reserves, total \$'000	Asset revaluation reserve (Note 15) \$'000	Foreign currency translation reserve (Note 15) \$'000	Retained earnings \$'000		Equity attributable to owner of the Company, total \$'000	Non-controlling interests \$'000
<b>As at 1 January 2017</b>	1,177,185	204,682	162,001	42,681	1,365,574	2,747,441	384,004	3,131,445
Profit for the year	–	–	–	–	153,785	153,785	18,388	172,173
<u>Other comprehensive income</u>								
Revaluation surplus on property, plant and equipment	–	13,023	13,023	–	–	13,023	10,484	23,507
Deferred tax expense on revaluation surplus	–	(2,214)	(2,214)	–	–	(2,214)	(1,782)	(3,996)
Foreign currency translation	–	(19,352)	–	(19,352)	–	(19,352)	(195)	(19,547)
Other comprehensive income for the year	–	(8,543)	10,809	(19,352)	–	(8,543)	8,507	(36)
<b>Total comprehensive income for the year, net of tax</b>	–	(8,543)	10,809	(19,352)	153,785	145,242	26,895	172,137

Allgreen Properties Limited and subsidiary companies

Statements of Changes in Equity  
For the financial year ended 31 December 2018

Group	Note	Attributable to owner of the Company						Total equity \$'000
		Share capital (Note 14) \$'000	Reserves, total \$'000	Asset revaluation reserve (Note 15) \$'000	Foreign currency translation reserve (Note 15) \$'000	Retained earnings \$'000	Equity attributable to owner of the Company, total \$'000	
Liquidation of subsidiary companies		-	-	-	-	-	-	(7,055)
Repayment of quasi-equity loan		-	-	-	-	-	-	(8,102)
Dividends paid on ordinary shares	28	-	-	-	-	(500,016)	(500,016)	(500,016)
Dividends paid to non-controlling interests of a subsidiary company		-	-	-	-	-	-	(14,771)
<b>Total transactions with owner in its capacity as owner</b>		-	-	-	-	(500,016)	(500,016)	(529,944)
<b>As at 31 December 2017</b>		1,177,185	196,139	172,810	23,329	1,019,343	2,392,667	380,971
								2,773,638

Allgreen Properties Limited and its subsidiary companies

Statements of Changes in Equity  
For the financial year ended 31 December 2018

	Note	Share capital (Note 14) \$'000	Retained earnings \$'000	Total equity \$'000
<b>Company</b>				
<b>As at 1 January 2018</b>		1,177,185	334,722	1,511,907
Profit for the year		–	205,406	205,406
<b>Total comprehensive income for the year, net of tax</b>		–	205,406	205,406
<b>As at 31 December 2018</b>		1,177,185	540,128	1,717,313
<b>As at 1 January 2017</b>		1,177,185	672,239	1,849,424
Profit for the year		–	162,499	162,499
<b>Total comprehensive income for the year, net of tax</b>		–	162,499	162,499
Dividends paid on ordinary shares	28	–	(500,016)	(500,016)
<b>Total contributions by and distributions to owner</b>		–	(500,016)	(500,016)
<b>As at 31 December 2017</b>		1,177,185	334,722	1,511,907

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

**Allgreen Properties Limited and its subsidiary companies**

**Consolidated Statement of Cash Flows  
For the financial year ended 31 December 2018**

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Profit before taxation	115,287	197,832
Adjustments for:		
Depreciation of property, plant and equipment	17,506	17,505
Fair value gain on investment properties	(18,001)	(23,533)
Loss/(gain) on disposal of property, plant and equipment	126	(46)
Interest income	(3,747)	(3,254)
Interest expense	21,189	19,171
Impairment in value of development properties	–	5,328
Share of results of associated companies	(24,114)	(50,538)
Write-back for impairment loss of trade receivables	(5)	(59)
Provision for impairment loss on loan to non-controlling interest	2,327	3,000
Net change in fair value of financial derivatives	2,039	1,884
Net effect of currency alignment	(1,528)	629
<b>Operating cash flows before working capital changes</b>	111,079	167,919
(Increase)/decrease in inventories	(1)	9
(Increase)/decrease in development properties	(1,208,969)	309,406
Decrease in trade and other receivables	99,096	707
Increase/(decrease) in trade and other payables	4,939	(5,998)
Increase/(decrease) in rental deposits	1,709	(1,095)
<b>Cash (used in)/generated from operations</b>	(992,147)	470,948
Interest paid	(19,639)	(19,099)
Income tax paid	(33,014)	(53,963)
<b>Net cash (used in)/generated from operating activities</b>	(1,044,800)	397,886
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	37	391
Additions to investment properties	(1)	(1,467)
Additions to other assets	(18,841)	(20)
Additions to property, plant and equipment	(1,480)	(2,443)
Proceeds from capital reduction in an associated companies company	–	27,795
Non-controlling interests share of liquidation of subsidiaries	–	(7,055)
Proceeds from divestment of associated company	–	76,737
Dividends from associated companies	23,139	12,943
Deposits for purchase of properties	–	(99,382)
Repayments to advances from associated company	–	(50)
Repayment/(advance) of loans from/(to) non-controlling shareholders	6,910	(4,903)
Interest received	3,483	3,302
<b>Net cash generated from investing activities</b>	13,247	5,848



**Allgreen Properties Limited and its subsidiary companies**

**Consolidated Statement of Cash Flows  
For the financial year ended 31 December 2018 (cont'd)**

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	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	\$'000	\$'000
<b>Cash flows from financing activities</b>		
Repayment of loans to non-controlling interests	–	(3,682)
Repayment of quasi-equity loan to non-controlling interests	–	(8,102)
Dividends paid on ordinary shares	–	(500,016)
Dividends paid to non-controlling interests of subsidiary companies	(28,925)	(14,771)
Net drawdown/(repayment) of bank borrowings	900,032	(46,250)
	<hr/>	<hr/>
<b>Net cash generated from/(used in) financing activities</b>	871,107	(572,821)
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	(160,446)	(169,087)
Cash and cash equivalents at 1 January	589,308	759,219
Effect of exchange rate changes on cash and cash equivalents	1,534	(824)
	<hr/>	<hr/>
<b>Cash and cash equivalents at 31 December (Note 13)</b>	430,396	589,308
	<hr/> <hr/>	<hr/> <hr/>

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements*

## Allgreen Properties Limited and its subsidiary companies

### Notes to the financial statements For the financial year ended 31 December 2018

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#### 1 Corporate information

The financial statements for the year ended 31 December 2018 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

The Company is incorporated and domiciled in the Republic of Singapore. The immediate and ultimate holding company is Brookvale Investments Pte Ltd.

The registered office and principal place of business of the Company is located at 1 Kim Seng Promenade, #07-01 Great World City, Singapore 237994. The Company also undertakes property development activities at the following location:

- (a) Suite@Orchard  
Handy Road, Singapore
- (b) Juniper Hill  
39 Ewe Boon Road, Singapore

The principal activities of the Company are that of investment holding and to develop properties for sale. The principal activities of its subsidiary companies are disclosed in Note 6 to the financial statements.

#### 2. Summary of significant accounting policies

##### 2.1 *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 on the historical cost basis, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or \$), and all values in the tables are rounded to the nearest thousand (\$'000) except when otherwise indicated.

##### 2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial period beginning on 1 January 2018. The adoption of these standards did not have any material effect on the financial performance or position of the Group and Company.

##### FRS 109 *Financial Instruments*

On 1 January 2018, the Group and Company adopted *FRS 109 Financial Instruments*, which is effective for annual periods beginning on or after 1 January 2018.

**2. Summary of significant accounting policies (cont'd)**

**2.2 Changes in accounting policies (cont'd)**

FRS 109 Financial Instruments (cont'd)

*Classification and measurement*

FRS 109 requires debt instruments to be measured either at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVPL). Classification of debt instruments depends on the entity's business model for managing the financial assets and whether the contractual cash flows represent solely payments of principal and interest (SPPI). An entity's business model is how an entity manages its financial assets in order to generate cash flows and create value for the entity either from collecting contractual cash flows, selling financial assets or both. If a debt instrument is held to collect contractual cash flows, it is measured at amortised cost if it also meets the SPPI requirement. Debt instruments that meet the SPPI requirement that are held both to collect the assets' contractual cash flows and to sell the assets are measured at FVOCI. Financial assets are measured at FVPL if they do not meet the criteria of FVOCI or amortised cost.

The assessment of the business model and whether the financial assets meet the SPPI requirements was made as of 1 January 2018, and then applied retrospectively to those financial assets that were not derecognised before 1 January 2018.

The Group's debt instruments have contractual cash flows that are solely payments of principal and interest. Debt instruments that were measured at amortised cost previously are held to collect contractual cash flows, and accordingly measured at amortised cost under FRS 109. There is no significant impact arising from measurement of these instruments under FRS 109.

*Impairment*

FRS 109 requires the Group and Company to record expected credit losses on all of its financial assets measured at amortised cost. The Group and Company previously recorded impairment based on the incurred loss model when there is objective evidence that a financial asset is impaired.

FRS 115 Revenue from Contracts with Customers

FRS 115 supersedes FRS 11 Construction Contracts, FRS 18 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. FRS 115 establishes a five-step model to account for revenue arising from contracts with customers: (1) Identify the contract(s) with customer; (2) Identify separate performance obligations in a contract; (3) Determine the transaction price; (4) Allocate transaction price to performance obligations; and (5) Recognise revenue when performance obligation is satisfied. 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.

FRS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

**2. Summary of significant accounting policies (cont'd)**

**2.2 Changes in accounting policies (cont'd)**

FRS 115 Revenue from Contracts with Customers (cont'd)

The Group and Company adopted FRS 115 using the modified retrospective method of adoption with the date of initial application of 1 January 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Group and Company elected to apply the standard to all contracts as at 1 January 2018.

The key impact of adopting FRS 115 is detailed as follows:

*Capitalised contract costs*

The Group and Company pays commissions to property agents on the sale of property and previously recognised such commissions as expense when incurred under its accounting policy. The Group and Company applied the practical expedients in FRS 115 for costs to obtain a contract to expense those costs that would have been amortised over one year or less. Where amortisation period will be longer than one year, the Group and Company will capitalise the incremental costs of obtaining a contract that meet the criteria in FRS 115. Under FRS 115, the Group and Company capitalise such commissions as incremental costs to obtain a contract with a customer if these costs are recoverable.

**2.3 Standards issued but not yet effective**

The Group has not adopted the following standards that have been issued but are not yet effective:

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
Improvements to FRSs (March 2018)	1 January 2019
FRS 116 <i>Leases</i>	1 January 2019

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application. The nature of the impending changes in accounting policy on adoption of FRS 116 are described below.

FRS 116 *Leases*

FRS 116 requires lessees to recognise most leases on balance sheets. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. FRS 116 is effective for annual periods beginning on or after 1 January 2019. At commencement date of a lease, a lessee will recognise a liability to make a lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

## Allgreen Properties Limited and its subsidiary companies

### Notes to the financial statements For the financial year ended 31 December 2018

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#### 2. Summary of significant accounting policies (cont'd)

##### 2.3 Standards issued but not yet effective (cont'd)

###### FRS 116 Leases (cont'd)

The Group plans to adopt FRS 116 retrospectively with the cumulative effect of initially applying the standard as an adjustment to the opening retained earnings at the date of initial application, 1 January 2019.

The Group has performed a preliminary impact assessment based on currently available information, and the assessment may be subject to changes arising from ongoing analysis until the Group adopts FRS 116 in 2019.

##### 2.4 Basis of consolidation and business combinations

###### (a) **Basis of consolidation**

###### Basis of consolidation from 1 January 2010

The consolidated financial statements comprise the financial statements of the Company and its subsidiary companies as at the end of the reporting period. The financial statements of the subsidiary companies 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 significant intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiary companies 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 company are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary company, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary company, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary company 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 profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained profits, as appropriate.



2. Summary of significant accounting policies (cont'd)

2.4 *Basis of consolidation and business combinations (cont'd)*

(a) *Basis of consolidation (cont'd)*

Basis of consolidation prior to 1 January 2010

Certain of the above-mentioned requirements were applied on a prospective basis. The following differences, however, are carried forward in certain instances from the previous basis of consolidation:

- Acquisition of non-controlling interests, prior to 1 January 2010, were accounted for using the parent entity extension method, whereby, the differences between the consideration and the book value of the share of the net assets acquired were recognised in goodwill.
- Losses incurred by the Group were attributed to the non-controlling interest until the balance was reduced to zero. Any further losses were attributed to the Group, unless the non-controlling interest had a binding obligation to cover these. Losses prior to 1 January 2010 were not reallocated between non-controlling interest and the owners of the Company.
- Upon loss of control, the Group accounted for the investment retained at its proportionate share of the net asset value at the date control was lost. The carrying value of such investments as at 1 January 2010 has not been restated.

(b) *Business combinations and goodwill*

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 and the services are received.

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 profit or loss.

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.



2. Summary of significant accounting policies (cont'd)

2.4 *Basis of consolidation and business combinations (cont'd)*

(b) *Business combinations and goodwill (cont'd)*

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 net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated are tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

2.5 *Property, plant and equipment, and depreciation*

Hotel property, which includes interests in leasehold land and buildings and their integral fixed plant and machinery and fittings, is stated at valuation, less accumulated depreciation. It is stated at directors' valuation based upon the advice of professional valuers on the open market value at the end of the reporting period.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

On disposal of the hotel property, the net surplus on revaluation is transferred directly to retained earnings.

**2. Summary of significant accounting policies (cont'd)**

**2.5 Property, plant and equipment, and depreciation (cont'd)**

All other items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost, less accumulated depreciation and any accumulated impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to profit or loss as incurred. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold land	-	lease term of 95 years
Buildings	-	50 years
Plant, machinery, furniture, fittings, equipment and computers	-	3 to 10 years
Motor vehicles	-	5 to 10 years
Operating supplies	-	5 years

Construction-in-progress comprises materials and contractors' costs based on architects' certification in relation to refurbishment of the hotel property. No depreciation is provided for construction-in-progress.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

For acquisitions and disposals during the year, depreciation is provided from the month of acquisition and to the month before disposal respectively. Fully depreciated assets are retained in the books of accounts until they are no longer in use.

The residual values, useful lives and depreciation methods are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

Operating supplies comprise linen, chinaware, glassware and silverware. Items in use are regarded as part of the necessary operating supplies of the hotel and are shown under property, plant and equipment. Items held in the stores are regarded as inventories. Issues from stores for replacement to maintain the level of operating supplies in the hotel are charged to profit or loss.

**2. Summary of significant accounting policies (cont'd)**

**2.6 *Investment properties***

Investment properties are properties that are either owned by the Group or leased under a finance lease that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or for sale in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties. Properties held under operating leases are classified as investment properties when the definition of investment properties is met.

Investment properties are initially recorded at cost including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met.

Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Additions, improvements and renewals resulting from subsequent expenditure are capitalised and expenditure for repairs and maintenance are charged to profit or loss when incurred.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

**2.7 *Subsidiary companies***

A subsidiary company 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.

In the Company's separate financial statements, investments in subsidiary companies are accounted for at cost, less impairment losses.

**2.8 *Associated companies***

An associated company 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.

The Group accounts for its investments in associated companies using the equity method from the date on which it becomes an associated company.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associated company's profit or loss in the period in which the investment is acquired.

**2. Summary of significant accounting policies (cont'd)**

**2.8 Associated companies (cont'd)**

Under the equity method, the investment in associated companies is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associated companies. The profit or loss reflects the share of results of the operations of the associated companies. Distributions received from associated companies reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associated companies, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associated company are eliminated to the extent of the interest in the associated company.

When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associated company.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associated companies. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associated company is impaired.

If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associated company and its carrying value, and recognises the amount in profit or loss.

The financial statements of the associated companies are prepared at the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

**2.9 Inventories**

Inventories are carried at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are primarily determined on a first-in-first-out basis and include freight and handling charges.

When necessary, allowance is provided for damaged, obsolete, slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.



**2. Summary of significant accounting policies (cont'd)**

**2.10 Development properties**

Development properties are properties acquired or being constructed for sale in the ordinary course of business, rather than to be held for the Group's own use, rental or capital appreciation.

Development properties are held as inventories and measured at the lower of cost and net realisable value.

Net realisable value of development properties is the estimated selling price in the ordinary course of business, based on market prices at the reporting date and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale. Allowance for foreseeable losses is made when it is anticipated that the net realisable value has fallen below cost.

The costs of development properties recognised in profit or loss on disposal are determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

**2.11 Financial instruments**

**Financial assets**

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

De-recognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

**2. Summary of significant accounting policies (cont'd)**

**2.11 Financial instruments (cont'd)**

***Financial liabilities***

*Initial recognition and measurement*

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

*Subsequent measurement*

*Financial liabilities at amortised cost*

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

*Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

*De-recognition*

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

*Offsetting of financial instruments*

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 offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.



**2. Summary of significant accounting policies (cont'd)**

**2.12 Cash and cash equivalents**

Cash and cash equivalents comprise cash and bank balances, and bank deposits which are subject to an insignificant risk of changes in value, and which form an integral part of the Group's cash management.

**2.13 Impairment of non-financial assets**

The Group assesses at each reporting date whether there is an indication that non-financial asset may be impaired. If any indication exists, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value, less costs of disposal and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value-in-use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses are recognised in profit or loss, except for assets that were previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at its revalued amount, in which case the reversal is treated as a revaluation increase.

**2. Summary of significant accounting policies (cont'd)**

**2.14 *Impairment of financial assets***

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

**2.15 *Provisions***

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period 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.

2. Summary of significant accounting policies (cont'd)

2.16 Taxes

(a) **Current income tax**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) **Deferred tax**

Deferred income tax is provided, using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries and associated companies, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries and associated companies, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

**2. Summary of significant accounting policies (cont'd)**

**2.16 Taxes (cont'd)**

**(b) Deferred tax (cont'd)**

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**(c) Sales tax**

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services 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
- Receivables and payables that 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 receivables or payables in the balance sheets.

**2.17 Share capital and share issuance expenses**

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

**2. Summary of significant accounting policies (cont'd)**

**2.18 Revenue recognition**

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods and services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

**(a) Sale of development properties**

Revenue is recognised when control over the property has been transferred to the customer, either over time or at a point in time, depending on the contractual terms.

For development properties whereby the Group is restricted contractually from directing the properties for another use as they are being developed and has an enforceable right to payment for performance completed to date, revenue is recognised over time, based on the construction costs incurred to date as a proportion of the estimated total construction costs to be incurred.

For development properties whereby the Group does not have an enforceable right to payment for performance completed to date, revenue is recognised when the customer obtains control of the asset, usually upon transfer of legal title.

**(b) Rental income**

Rental income arising from operating leases on investment properties and development properties is accounted for on a straight-line basis over the lease terms. 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.

**(c) Hotel operations**

Revenue from hotel operations is recognised when services are rendered and accepted by customers.

**(d) Interest income**

Interest income is recognised on a time-apportioned basis using the effective interest method.



**2. Summary of significant accounting policies (cont'd)**

**2.19 Operating leases**

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

**As lessor**

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.18(b). Contingent rents are recognised as revenue in the period in which they are earned.

**2.20 Employee benefits**

**(a) Defined contribution plan**

The Group makes contributions to the Central Provident Fund ("CPF") in Singapore, a defined contribution pension scheme. CPF contributions are recognised as an expense in the period in which the related service is performed.

**(b) Employee leave entitlement**

Employee entitlements to annual leave are recognised as a liability 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 end of the reporting period.

**2.21 Key management personnel**

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors and certain general managers are considered key management personnel.

**2.22 Borrowing costs**

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.



**2. Summary of significant accounting policies (cont'd)**

**2.23 Foreign currencies**

The Group's consolidated financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

***Transactions and balances***

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiary companies and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. 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 measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss 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 reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss on disposal of the foreign operation.

***Consolidated financial statements***

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

In the case of a partial disposal without loss of control of a subsidiary company that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences is re-attributed to non-controlling interest and is not recognised in profit or loss. For partial disposals of associated companies that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

**2.24 Financial guarantees**

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 recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are recognised as income in profit or loss 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 profit or loss.

**2. Summary of significant accounting policies (cont'd)**

**2.25 Contingencies**

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
  - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) The amount of the obligation cannot be measured with sufficient reliability.

**2.26 Related parties**

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group and the Company if that person:
  - (i) has control or joint control over the Company;
  - (ii) has significant influence over the Company; or
  - (iii) is a member of the key management personnel of the Group or Company or of a parent of the Company.
- (b) An entity is related to the Group and the Company if any of the following conditions applies:
  - (i) the entity and the Company are members of the same group (which means that each parent, subsidiary company and fellow subsidiary company is related to the others);
  - (ii) one entity is an associated company or joint venture of the other entity (or an associated company or joint venture of a member of a group of which the other entity is a member);
  - (iii) both entities are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associated company of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a);
  - (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

**3. Significant accounting estimates and judgments**

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

**3.1 Judgment made in applying accounting policies**

In the process of applying the Group's accounting policies, management has made the following judgment, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements.

***Operating lease commitments – as lessor***

The Group has entered into commercial property leases on its investment properties. The Group has determined, based on the evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties, and so accounts for the contracts as operating leases.

**3.2 Key sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

**(i) Revenue recognition on sale of development properties under construction**

The Group recognises revenue for pre-completion sales of development properties by reference to the stage of completion using the percentage of completion method. The stage of completion is measured in accordance with the accounting policy set out in Note 2.18(a) to the financial statements. Significant assumptions are required to estimate the total contract costs and the recoverable variation works that affect the stage of completion and revenue respectively. In making these estimates, management has relied on past experience and knowledge of the project engineers. The carrying amount of development properties as well as the revenue from sale of development properties are disclosed in Note 9 (Development Properties) and Note 24 (Revenue) to the financial statements respectively.

3. Significant accounting estimates and judgments (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

(ii) **Impairment of non-financial assets**

Development properties held for sale

The Group assesses whether there are any indicators of impairment for non-financial assets at each reporting date. In particular, allowance for foreseeable losses is made for development properties held for sale when the net realisable value has fallen below cost. In arriving at estimates of net realisable values, management considered factors such as current market conditions, recent selling prices of the development properties and comparable development properties. The allowance for foreseeable losses is disclosed in Note 9.

Investment in associated companies

The Group assesses at each reporting date whether there is any objective evidence that investments in associated companies are impaired. Where there is objective evidence of impairment, the recoverable amount is estimated based on the higher of the value-in-use and the fair value less costs to sell. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows to be generated by the associated companies and also to choose a suitable discount rate in order to calculate the present value of those cash flows which reflects the risk profile of the investee and economic assumptions regarding the industry and geographical jurisdiction in which the investee operates. Changes in assumptions about these factors could affect the recoverable amount of the investee. The carrying amount of the investment in associated companies at the reporting date has been disclosed in the Group's balance sheet.

(iii) **Revaluation of hotel property and investment properties**

The Group carries its hotel property and investment properties at fair value, with changes in fair values being recognised in other comprehensive income and profit or loss respectively.

The fair values of the hotel property and investment properties are determined by independent real estate valuation experts using recognised valuation techniques. These techniques may consider both Income Capitalisation Method and Comparison Method.

The determination of the fair value of the hotel property and investment properties includes consideration of actual revenue, room rates and occupancy rates, property expenses as well as the projected sustainable income in the subsequent years based on market rent and prevailing market conditions. These estimates are based on local market conditions existing at the end of each reporting period.

**Allgreen Properties Limited and its subsidiary companies**

**Notes to the financial statements  
For the financial year ended 31 December 2018**

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**3. Significant accounting estimates and judgments (cont'd)**

**3.2 Key sources of estimation uncertainty (cont'd)**

**(vi) Income taxes**

Significant judgment is involved in determining the Group's and the Company's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The carrying amounts of the Group's and the Company's provision for taxation at 31 December 2018 were approximately \$17,300,000 (2017: \$30,988,000) and \$1,416,000 (2017: \$24,000). The carrying amounts of the Group's and the Company's deferred tax liabilities at 31 December 2018 were \$85,637,000 (2017: \$81,839,000) and \$ Nil (2017: \$ Nil) respectively.

**(v) Useful lives of property, plant and equipment**

The cost of property, plant and equipment is depreciated on a straight-line basis over their useful lives. Management estimates the useful lives of property, plant and equipment to be within 3 to 95 (2017: 3 to 95) years. The carrying amounts of the Group's and the Company's property, plant and equipment as at 31 December 2018 are stated in Note 4 to the financial statements. Changes in the expected level of usage could impact the economic useful lives and residual values of these assets, therefore future depreciation charges could be revised.

**Allgreen Properties Limited and its subsidiary companies**

**Notes to the financial statements  
For the financial year ended 31 December 2018**

**4. Property, plant and equipment**

<b>Group</b>	<b>Hotel property \$'000</b>	<b>Plant, machinery, equipment and computers \$'000</b>	<b>Motor vehicles \$'000</b>	<b>Operating supplies \$'000</b>	<b>Construction- in- progress \$'000</b>	<b>Total \$'000</b>
<b>Cost or valuation</b>						
At 1 January 2017	480,000	26,352	933	1,129	145	508,559
Additions	593	1,849	—	1	—	2,443
Disposals	—	(392)	(769)	—	—	(1,161)
Revaluation surplus	9,407	—	—	—	—	9,407
At 31 December 2017 and 1 January 2018	490,000	27,809	164	1,130	145	519,248
Additions	307	1,142	—	5	26	1,480
Disposals	(11)	(1,790)	—	—	—	(1,801)
Revaluation surplus	4,704	—	—	—	—	4,704
At 31 December 2018	495,000	27,161	164	1,135	171	523,631



**Allgreen Properties Limited and its subsidiary companies**

Notes to the financial statements  
For the financial year ended 31 December 2018

**4. Property, plant and equipment (cont'd)**

<b>Group (cont'd)</b>	<b>Hotel property \$'000</b>	<b>Plant, machinery, furniture, fittings, equipment and computers \$'000</b>	<b>Motor vehicles \$'000</b>	<b>Operating supplies \$'000</b>	<b>Construction- in- progress \$'000</b>	<b>Total \$'000</b>
<b>Accumulated depreciation</b>						
At 1 January 2017	—	18,389	506	706	—	19,601
Depreciation for the year	14,100	3,225	100	80	—	17,505
Disposals	—	(373)	(443)	—	—	(816)
Revaluation surplus	(14,100)	—	—	—	—	(14,100)
At 31 December 2017 and 1 January 2018	—	21,241	163	786	—	22,190
Depreciation for the year	14,781	2,683	1	41	—	17,506
Disposals	(10)	(1,629)	—	—	—	(1,639)
Revaluation surplus	(14,771)	—	—	—	—	(14,771)
At 31 December 2018	—	22,295	164	827	—	23,286
<b>Net book value</b>						
At 31 December 2018	495,000	4,866	—	308	171	500,345
At 31 December 2017	490,000	6,568	1	344	145	497,058

Hotel property, carried at valuation, consists of leasehold land, building, plant and machinery and fittings with net carrying values of \$369,000,000 (2017: \$360,000,000), \$112,153,000 (2017: \$111,111,000), \$2,331,000 (2017: \$2,366,000) and \$11,516,000 (2017: \$16,523,000) respectively as at 31 December 2018.

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements  
For the financial year ended 31 December 2018

4. Property, plant and equipment (cont'd)

Group

*Revaluation of hotel property*

	Group	
	2018 \$'000	2017 \$'000
<b>Hotel property</b>		
Transfer to asset revaluation reserve	19,475	23,507

The Group engaged Colliers International Consultancy & Valuation (Singapore) Pte Ltd, an independent firm of professional valuers, to determine the fair value of the hotel property as at 31 December 2018. The property was valued on the basis of open market value. As at 31 December 2018, the market value of the hotel property was assessed to approximate \$495,000,000 (2017: \$490,000,000).

If the hotel property was measured using the cost model, the net carrying amount would be as follows:

	Group	
	2018 \$'000	2017 \$'000
Cost	257,423	257,128
Accumulated depreciation	(109,142)	(96,892)
Net carrying value	148,281	160,236

Company	Furniture, fittings, equipment and computers	Motor vehicles	Total
	\$'000	\$'000	\$'000
<b>Cost</b>			
At 1 January 2017	1,701	252	1,953
Additions	132	–	132
Disposals	(65)	(252)	(317)
At 31 December 2017 and 1 January 2018	1,768	–	1,768
Additions	72	–	72
Disposals	(1,037)	–	(1,037)
At 31 December 2018	803	–	803

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements  
For the financial year ended 31 December 2018

4. Property, plant and equipment (cont'd)

Company (cont'd)	Furniture, fittings, equipment and computers \$'000	Motor vehicles \$'000	Total \$'000
<b>Accumulated depreciation</b>			
At 1 January 2017	1,418	85	1,503
Depreciation for the year	96	37	133
Disposals	(55)	(122)	(177)
At 31 December 2017 and 1 January 2018	1,459	–	1,459
Depreciation for the year	99	–	99
Disposals	(930)	–	(930)
At 31 December 2018	628	–	628
<b>Net book value</b>			
At 31 December 2018	175	–	175
At 31 December 2017	309	–	309

5. Investment properties

	Group	
	2018 \$'000	2017 \$'000
Freehold properties	1,797,000	1,779,000
Leasehold property	323,000	323,000
	2,120,000	2,102,000

The movements in investment properties are as follows:

	Group	
	2018 \$'000	2017 \$'000
<b>Balance sheet:</b>		
At 1 January	2,102,000	2,077,000
Additions (subsequent expenditure)	1	1,581
Disposals	(2)	(114)
Fair value gain recognised in profit or loss	18,001	23,533
At 31 December	2,120,000	2,102,000
<b>Income statement:</b>		
Rental income	97,353	104,750
Direct operating expenses arising from investment properties that generated rental income	(22,440)	(23,310)

**Allgreen Properties Limited and its subsidiary companies**

**Notes to the financial statements  
For the financial year ended 31 December 2018**

**5. Investment properties (cont'd)**

The investment properties which include interests in land and buildings and their integral plant and machinery and fittings, are valued using the Income Method and Comparison Method assessed on 31 December 2018 by a firm of independent professional valuers, Colliers International Consultancy & Valuation (Singapore) Pte Ltd, who have appropriate recognised professional qualifications and recent experience in the location and category of the investment properties being valued. The determination of the fair values of the investment properties includes consideration of actual revenue and occupancy rates, property expenses as well as the projected sustainable income in the following year based on market rent and prevailing market conditions. These estimates are based on local market conditions existing at the end of each reporting date. As at 31 December 2018, the market values of the investment properties of the Group were assessed to be \$2,120,000,000 (2017: \$2,102,000,000).

The investment properties held by the Group as at 31 December are as follows:

<b>Property</b>	<b>Existing use</b>	<b>Tenure</b>	<b>Unexpired lease term</b>
1 Kim Seng Promenade, Singapore 237994	Office/ Retail	Freehold	Freehold
2 Kim Seng Walk, Singapore 239494	Serviced apartment	Freehold	Freehold
91 Tanglin Road, Singapore 247918	Office/ Retail	Freehold	Freehold
163 Tanglin Road, Singapore 247933	Retail	99 years leasehold commencing from 31 May 1991	72 years

Investment properties amounting to \$1,732,000,000 (2017: \$1,716,000,000) have been mortgaged to secure borrowings (Note 17).

**6. Subsidiary companies**

	<b>Company</b>	
	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Unquoted equity investments, at cost	790,465	793,965
Impairment losses	(231,100)	(187,000)
	<b>559,365</b>	<b>606,965</b>
Loans to subsidiary companies:		
Quasi-equity*	930,964	690,814
Interest-bearing** (Note 10)	14,729	16,219
	<b>945,693</b>	<b>707,033</b>
<b>Total</b>	<b>1,505,058</b>	<b>1,313,998</b>

## Allgreen Properties Limited and its subsidiary companies

### Notes to the financial statements For the financial year ended 31 December 2018

#### 6. Subsidiary companies (cont'd)

An analysis of allowance for impairment on investment in subsidiary companies is as follows:

	Company	
	2018 \$'000	2017 \$'000
At 1 January	187,000	187,000
Impairment losses	44,100	—
At 31 December	231,100	187,000

During the financial year, management performed an impairment test on the investments in Allgreen Properties (Tianjin) Pte. Ltd. and Jeston Investments Pte Ltd. An incremental impairment loss of \$44,100,000 (2017: \$Nil) was recognised.

\* These loans are unsecured and form part of the Company's net investment in subsidiary companies. Settlements are neither planned nor likely to occur in the foreseeable future.

\*\* These loans are unsecured and their carrying values approximate their fair values as they bear interest at variable rates which approximate rates for similar types of borrowing arrangements. The effective interest rate is 2.67% (2017: 1.86%) per annum.

## Allgreen Properties Limited and its subsidiary companies

### Notes to the financial statements For the financial year ended 31 December 2018

#### 6. Subsidiary companies (cont'd)

##### a. Composition of the Group

Details of the subsidiary companies are as follows:

Name	Country of incorporation/ principal place of business	Proportion of ownership interest held by Group		Principal activities
		2018 %	2017 %	
Allgreen Properties (Chengdu) Pte. Ltd.	Singapore	100	100	Investment holding
Allgreen Properties (Qinhuangdao) Pte. Ltd.	Singapore	100	100	Investment holding
Allgreen Properties (Shanghai) Pte. Ltd.	Singapore	100	100	Investment holding
Allgreen Properties (Shenyang) Pte. Ltd.	Singapore	100	100	Investment holding
Allgreen Properties (Tianjin) Pte. Ltd.	Singapore	100	100	Investment holding
Allgreen Properties (Vietnam) Pte. Ltd.	Singapore	100	100	Investment holding
Arcadia Development Pte. Ltd.	Singapore	90	90	Property developer and owner
Asiawide Resources Pte Ltd	Singapore	92	92	Property developer and owner
Belfin Investments Pte. Ltd.	Singapore	100	100	Investment holding
Benefit Investments Pte. Ltd.	Singapore	100	100	Property developer and owner
Boonridge Pte Ltd #	Singapore	65	65	Property developer and owner
Bukit Batok Development Pte Ltd	Singapore	90	90	Property developer and owner



## Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements  
For the financial year ended 31 December 2018

### 6. Subsidiary companies (cont'd)

#### a. Composition of the Group (cont'd)

Details of the subsidiary companies are as follows: (cont'd)

Name	Country of incorporation/ principal place of business	Proportion of ownership interest held by Group		Principal activities
		2018 %	2017 %	
Cuscaden Properties Pte Ltd	Singapore	55.4	55.4	Owner and operator of a hotel cum shopping complex
Eastwood Green Pte Ltd *	Singapore	–	100	Property developer and owner
Green Bay Pte Ltd #	Singapore	100	100	Property developer and owner
GWC Commercial Pte. Ltd.	Singapore	100	100	Owner and operator of a mixed development comprising offices and shops
GWC Serviced Apartments Pte. Ltd.	Singapore	100	100	Owner and operator of serviced apartments
Jeston Investments Pte Ltd	Singapore	100	100	Investment holding
Leo Property Management Private Limited	Singapore	100	100	Project and property management, and estate agent
Midpoint Properties Limited	Singapore	100	100	Dormant
Perfect Bright Pte. Ltd.	Singapore	100	100	Investment holding
Petals Development Pte. Ltd.	Singapore	100	100	Investment holding
Phoenix Commercial Pte. Ltd.	Singapore	70	–	Property developer and owner
Phoenix Residential Pte. Ltd.	Singapore	70	–	Property developer and owner

**Allgreen Properties Limited and its subsidiary companies**

**Notes to the financial statements  
For the financial year ended 31 December 2018**

**6. Subsidiary companies (cont'd)**

**a. Composition of the Group (cont'd)**

Details of the subsidiary companies are as follows: (cont'd)

Name	Country of incorporation/ principal place of business	Proportion of ownership interest held by Group		Principal activities
		2018 %	2017 %	
Rufiji Pte Ltd	Singapore	100	100	Property developer and owner
Sky Top Investments Pte. Ltd.	Singapore	100	100	Property developer and owner
Tanglin Place Development Pte Ltd (1)	Singapore	55.4	55.4	Owner and operator of an office cum shopping complex
Valleypoint Investments Pte. Ltd.	Singapore	100	100	Property developer and owner
Golden Age Joint-Venture Ltd., Co. (2)	Vietnam	65	65	Property developer and owner
Allgreen Property Management Services Co., Ltd (2)	Vietnam	100	100	Real estate management and consultancy services
Allgreen-Vuong Thanh Company Limited (2)	Vietnam	98	98	Real estate management and consultancy services
Allgreen-Vuong Thanh Properties Company Limited (2)	Vietnam	98	98	Property developer and owner
Allgreen-Vuong Thanh-Trung Duong Co., Ltd (3)	Vietnam	88.2	88.2	Property developer and owner

# In member's voluntary liquidation

\* Liquidated during the year

(1) Subsidiary company of Cuscaden Properties Pte Ltd.

(2) Subsidiary companies of Allgreen Properties (Vietnam) Pte. Ltd.

(3) Subsidiary company of Allgreen-Vuong Thanh Company Limited.

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements  
For the financial year ended 31 December 2018

6. Subsidiary companies (cont'd)

b. Interest in subsidiaries with material non-controlling interest ("NCI")

The Group has the following subsidiaries that have NCI that are material to the Group.

Name	Principal place of business	Proportion of ownership interest held by non-controlling interest %	Profit allocated to NCI during the reporting period \$'000	Accumulated NCI at the end of reporting period \$'000	Dividends paid to NCI \$'000
<b>31 December 2018</b>					
Cuscaden Properties Pte Ltd and its subsidiary company	Singapore	44.6	5,773	354,512	8,325
<b>31 December 2017</b>					
Cuscaden Properties Pte Ltd and its subsidiary company	Singapore	44.6	10,015	349,854	9,371

c. Summarised financial information about subsidiaries with material NCI

	Cuscaden Properties Pte Ltd and its subsidiary company	
	2018	2017
	\$'000	\$'000
<b>Summarised balance sheet</b>		
Current assets	8,063	9,745
Non-current assets	889,788	883,855
Total assets	897,851	893,600
Current liabilities	(26,115)	(24,103)
Non-current liabilities	(76,866)	(85,070)
Total liabilities	(102,981)	(109,173)
Net assets	794,870	784,427
<b>Summarised statement of comprehensive income</b>		
Revenue	68,622	68,998
Profit or loss after tax	12,944	22,455
Other comprehensive income	16,165	19,510
Total comprehensive income	29,109	41,965
<b>Other summarised information</b>		
Net cash generated from operating activities	27,089	24,970
Net cash used in investing activities	(1,152)	(1,519)
Net cash used in financing activities	(28,666)	(26,012)

**Allgreen Properties Limited and its subsidiary companies**

**Notes to the financial statements  
For the financial year ended 31 December 2018**

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**7. Associated companies**

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Unquoted equity investments, at cost	477,270	477,270
Loans to associated companies	93,918	93,918
Share of foreign currency translation reserve	9,775	27,760
Share of other post-acquisition reserves	81,911	93,182
	<hr/>	<hr/>
	662,874	692,130

The loans to associated companies comprise foreign currency loans amounting to US\$66,122,000 (2017: US\$66,122,000) and RMB45,000,000 (2017: RMB45,000,000), which form part of the Group's net investment in the associated companies. The loans are unsecured, and settlement is neither planned nor likely to occur in the foreseeable future.

Aggregate information of the Group's investments in associated companies is as follows:

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Profit after tax	24,114	50,538
Other comprehensive income	(17,985)	(15,705)
	<hr/>	<hr/>
Total comprehensive income	6,129	34,833

## Allgreen Properties Limited and its subsidiary companies

### Notes to the financial statements For the financial year ended 31 December 2018

#### 7. Associated companies (cont'd)

Details of the associated companies are as follows:

Name	Country of incorporation/ principal place of business	Proportion of ownership interest held by Group		Principal activities
		2018 %	2017 %	
Central Laundry Pte Ltd (1) @	Singapore	13.8	13.8	Provision of laundry services
Hengyun Real Estate (Tangshan) Co., Ltd (2)	China	25	25	Property developer of a mainly residential apartments development
Kerry Development (Chengdu) Ltd. (3)	China	25	25	Property developer of a mainly residential apartments development
Kerry (Shenyang) Real Estate Development Co., Ltd. (4) @	China	15	15	Property developer and owner and operator of a mixed development comprising offices, residences, retail and ancillary facilities
Lucky Billion Development (Qinhuangdao) Co., Ltd. (5) @	China	10	10	Property developer of a mainly residential complex
Ruihe Estate (Tangshan) Co., Ltd (2)	China	25	25	Property developer of a mainly hotel development
Shanghai Pudong Kerry City Properties Co., Ltd. (6) @	China	16	16	Property developer and owner and operator of a mixed development comprising offices, serviced apartments, retail and hotel

## Allgreen Properties Limited and its subsidiary companies

### Notes to the financial statements For the financial year ended 31 December 2018

#### 7. Associated companies (cont'd)

Details of the associated companies are as follows: (cont'd)

Name	Country of incorporation/ principal place of business	Proportion of ownership interest held by Group		Principal activities
		2018 %	2017 %	
Shangri-La Hotel (Shenyang) Co., Ltd. (4) @	China	15	15	Developer and operator of hotel and hotel management
Sheng Xiang Real Estate (Shenyang) Co., Ltd. (4) @	China	15	15	Property developer and owner and operator of a mixed development comprising offices, residences, retail and ancillary facilities
Tianjin Kerry Real Estate Development Co., Ltd (7)	China	31	31	Property developer and owner and operator of a mixed development comprising residences, retail and hotel
Wealthy Plaza Development (Chengdu) Ltd. (3)	China	25	25	Property developer of a mainly residential apartments development

@ Deemed to be an associated company as the Group has significant influence over the financial and operating policies of this entity due to its board representation

- (1) Associated company of Cuscaden Properties Pte Ltd.
- (2) Associated companies of Jeston Investments Pte Ltd.
- (3) Associated companies of Allgreen Properties (Chengdu) Pte. Ltd.
- (4) Associated companies of Allgreen Properties (Shenyang) Pte. Ltd.
- (5) Associated company of Allgreen Properties (Qinhuangdao) Pte. Ltd.
- (6) Associated company of Allgreen Properties (Shanghai) Pte. Ltd.
- (7) Associated company of Allgreen Properties (Tianjin) Pte. Ltd.



**Allgreen Properties Limited and its subsidiary companies**

**Notes to the financial statements  
For the financial year ended 31 December 2018**

**7. Associated companies (cont'd)**

The summarised financial information in respect of the Group's material investments in associated companies, Shanghai Pudong Kerry City Properties Co., Ltd, Tianjin Kerry Real Estate Development Co., Ltd and Kerry Shenyang Real Estate Co., Ltd based on their financial statements and a reconciliation with the carrying amount of the investments in the consolidated financial statements are as follow:

**Summarised balance sheet**

	<b>Shanghai Pudong Kerry City Properties Co., Ltd</b>	
	<b>31 December 2018</b>	<b>31 December 2017</b>
	\$'000	\$'000
Current assets	35,494	48,977
Non-current assets	1,347,849	1,356,400
<b>Total assets</b>	<b>1,383,343</b>	<b>1,405,377</b>
Current liabilities	89,609	102,334
Non-current liabilities	294,943	319,790
<b>Total liabilities</b>	<b>384,552</b>	<b>422,124</b>
<b>Net assets</b>	<b>998,791</b>	<b>983,253</b>
Proportion of the Group's ownership	16%	16%
Group's share of net assets	159,807	157,320
Carrying amount of the investment	159,807	157,320

**Summarised statement of comprehensive income**

	<b>Shanghai Pudong Kerry City Properties Co., Ltd</b>	
	<b>2018</b>	<b>2017</b>
	\$'000	\$'000
Revenue	215,966	208,926
Profit after tax from continuing operations	127,586	90,406
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>127,586</b>	<b>90,406</b>

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements  
For the financial year ended 31 December 2018

7. Associated companies (cont'd)

Summarised balance sheet

	Tianjin Kerry Real Estate Development Co., Ltd	
	31 December 2018 \$'000	31 December 2017 \$'000
Current assets	83,516	94,428
Non-current assets	556,118	564,620
<b>Total assets</b>	<b>639,634</b>	<b>659,048</b>
Current liabilities	100,381	73,090
Non-current liabilities	237,691	232,398
<b>Total liabilities</b>	<b>338,072</b>	<b>305,488</b>
<b>Net assets</b>	<b>301,562</b>	<b>353,560</b>
Proportion of the Group's ownership	31%	31%
Group's share of net assets	93,484	109,604
Carrying amount of the investment	93,484	109,604

Summarised statement of comprehensive income

	Tianjin Kerry Real Estate Development Co., Ltd	
	2018 \$'000	2017 \$'000
Revenue	57,086	77,882
(Loss)/profit after tax from continuing operations	(39,775)	13,667
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>(39,775)</b>	<b>13,667</b>

**Allgreen Properties Limited and its subsidiary companies**

**Notes to the financial statements  
For the financial year ended 31 December 2018**

**7. Associated companies (cont'd)**

**Summarised balance sheet**

	<b>Kerry Shenyang Real Estate Co., Ltd</b>	
	<b>31 December 2018</b>	<b>31 December 2017</b>
	\$'000	\$'000
Current assets	507,215	484,673
Non-current assets	501,926	444,312
<b>Total assets</b>	<b>1,009,141</b>	<b>928,985</b>
Current liabilities	258,538	271,864
Non-current liabilities	16,190	–
<b>Total liabilities</b>	<b>274,728</b>	<b>271,864</b>
<b>Net assets</b>	<b>734,413</b>	<b>657,121</b>
Proportion of the Group's ownership	15%	15%
Group's share of net assets	110,162	98,568
Carrying amount of the investment	110,162	98,568

**Summarised statement of comprehensive income**

	<b>Kerry Shenyang Real Estate Co., Ltd</b>	
	<b>2018</b>	<b>2017</b>
	\$'000	\$'000
Revenue	228,664	261,520
Profit after tax from continuing operations	102,809	54,292
Other comprehensive income	–	–
<b>Total comprehensive income</b>	<b>102,809</b>	<b>54,292</b>

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements  
For the financial year ended 31 December 2018

8. Inventories

	Group	
	2018 \$'000	2017 \$'000
<b>Balance sheet:</b>		
Food and beverage	–	1
Operating supplies	46	44
	<u>46</u>	<u>45</u>
<b>Income statement:</b>		
Inventories recognised as an expense in cost of sales (Note 26)	3,661	4,184

9. Development properties

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Completed properties held for sale	2,632	97,018	–	7,762
Properties under development	1,376,794	74,358	195,417	–
	<u>1,379,426</u>	<u>171,376</u>	<u>195,417</u>	<u>7,762</u>
Less: Impairment in value of development properties:				
At 1 January	12,474	8,507	1,002	–
Current year provision (Note 26)	–	12,474	–	1,002
Provision written back (Note 26)	–	(7,146)	–	–
Utilisation of provision	(1,002)	–	(1,002)	–
Exchange rate difference	–	(1,361)	–	–
At 31 December	<u>11,472</u>	<u>12,474</u>	<u>–</u>	<u>1,002</u>
<b>Net carrying value</b>	<u>1,367,954</u>	<u>158,902</u>	<u>195,417</u>	<u>6,760</u>
<b>Income statement:</b>				
Development properties recognised as an expense in cost of sales (Note 26)	100,542	268,767		

**Allgreen Properties Limited and its subsidiary companies**

**Notes to the financial statements  
For the financial year ended 31 December 2018**

**9. Development properties (cont'd)**

(a) Borrowing costs capitalised during the financial year were paid/payable to:

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Bank	15,187	–	2,552	–

(b) Development properties of \$1,302,535,000 (2017: \$Nil) and \$195,417,000 (2017: \$Nil) are pledged for bank facilities granted to the Group and Company respectively (Note 17).

Details of the development properties held by the Group as at 31 December are as follows:

Project Name	Location	Description
<u>Completed properties</u>		
SkySuites@Anson	Enggor Street, Singapore	Remaining unit in the 365-unit, 99 year leasehold development (commencing 20 November 2007)
<u>Properties under development</u>		
Fourth Avenue Residences	Lot 07301P MK04 at Fourth Avenue, Singapore	476-unit, 99 year leasehold development (commencing 7 March 2018)
Juniper Hill	39 Ewe Boon Road, Singapore	115-unit, freehold condominium development
Redevelopment of Royalville	Bukit Timah Road, Singapore	285-unit, freehold condominium development
Regency Park	District 2, Ho Chi Minh City, Vietnam	A mainly leasehold residential development (commencing 19 November 2007)
Vung Tau Regency	Vung Tau City, Ba Ria Vung Tau Province, Vietnam	A mainly leasehold residential development (commencing 3 July 2008)

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements  
For the financial year ended 31 December 2018

10. Trade receivables

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Trade receivables	6,983	6,416	507	--
Accrued receivables	15	--	--	--
	6,998	6,416	507	--
Allowance for impairment	(2)	(7)	--	--
<b>Total trade receivables</b>	6,996	6,409	507	--
Add:				
Other receivables (Note 11)	44,698	41,981	449	337
Cash and cash equivalents (Note 13)	430,396	589,308	395,721	506,966
Deposits (Note 12)	443	316	168	111
Loans to subsidiary companies (Note 6)	--	--	14,729	16,219
Less:				
Value-added tax/GST receivables (Note 11)	(3,605)	(2,010)	--	--
<b>Total financial assets carried at amortised cost</b>	478,928	636,004	411,574	523,633

Accrued receivables represent accrued sales for development properties that have not been served notice to take possession yet.

Trade receivables, excluding accrued receivables, generally have average credit terms of 7 to 30 (2017: 7 to 30) days. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Receivables that are past due but not impaired

The Group has trade receivables amounting to \$2,829,000 (2017: \$1,554,000) that are past due at the end of the reporting period but not impaired. These receivables, which relate primarily to sale of development properties and leasing at investment properties, are secured either via legal recourses that the Group has against the purchasers of development properties in the event of default or rental deposits obtained from the tenants. An analysis of their aging at the end of the reporting period is as follows:

	2018 \$	2017 \$
Less than 30 days	2,071	943
31 to 60 days	439	413
61 to 90 days	259	156
More than 90 days	60	42
	2,829	1,554



Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements  
For the financial year ended 31 December 2018

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10. Trade receivables (cont'd)

Receivables that are impaired

The Group's trade receivables that are impaired at the end of the reporting period and the movements in the allowance account used to record the impairment are as follows:

	Group	
	2018 \$'000	2017 \$'000
Trade receivables - nominal amounts	2	7
Allowance for impairment	(2)	(7)
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
Movements in allowance account:		
At 1 January	7	66
Charge for the year (Note 26)	50	23
Write-back to income statement (Note 26)	(55)	(82)
	<hr/>	<hr/>
At 31 December	2	7
	<hr/>	<hr/>

During the reporting period, the Group has made an allowance of \$50,000 (2017: \$23,000) for impairment and written back an allowance of \$55,000 (2017: \$82,000) subsequent to a debt recovery assessment.

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements  
For the financial year ended 31 December 2018

11. Other receivables

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Advances to non-controlling interests of subsidiary companies (i)	13,038	19,948	–	–
Loans to non-controlling shareholder of a subsidiary company (ii)	–	14,571	–	–
Non-trade amounts due from subsidiary companies	–	–	85	70
Non-trade amounts due from associated companies of subsidiary companies (iii)	10,741	7,357	–	–
Recoverable expenses	417	1,144	–	–
Value-added tax/GST receivables	3,605	2,010	–	–
Dividend receivables	15,756	6,822	–	–
Others	1,141	390	364	267
	44,698	52,242	449	337
Less: Allowance for impairment on loans to non-controlling shareholder:				
At 1 January	10,261	7,879	–	–
Current year provision	2,327	3,000	–	–
Written off	(12,588)	–	–	–
Exchange difference	–	(618)	–	–
At 31 December	–	10,261	–	–
Total other receivables (Note 10)	44,698	41,981	449	337

(i) These advances arise from surplus funds of subsidiary companies. They are advanced in proportion to their respective shareholding structure and are unsecured, interest-free and repayable on demand.

(ii) Loan to non-controlling shareholder of a subsidiary company is denominated in United States dollar.

During the year, a loan termination agreement was signed whereby the repayment from the non-controlling shareholder of a subsidiary company was deemed as full and final settlement of the loan. The remaining loan has been fully written off during the year.

(iii) These amounts are unsecured, non-interest bearing and are repayable on demand. Included in the balance are amounts of \$10,503,000 (2017: \$7,205,000) that are denominated in USD.

**Allgreen Properties Limited and its subsidiary companies**

**Notes to the financial statements  
For the financial year ended 31 December 2018**

**11. Other receivables (cont'd)**

Other receivables denominated in foreign currencies at period end are as follows:

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
United States Dollar	10,503	14,926	–	–
Renminbi	15,994	3,563	–	–

**12. Deposits**

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Current:</b>				
Deposit with a subsidiary company	–	–	133	107
Other deposits	443	316	35	4
	443	316	168	111
<b>Non-current:</b>				
Deposits for purchase of properties	2,381	101,717	–	14,493
Less: Allowance for impairment:				
At 1 January	2,335	2,525	–	–
Exchange difference	46	(190)	–	–
At 31 December	2,381	2,335	–	–
Net carrying value	–	99,382	–	14,493

Deposits for purchase of properties comprise of the following items:

- (i) 5% of a land value which amounted to USD1,745,000 (2017: USD1,745,000) paid for a site at Dong Nai Riverfront in Vietnam. As the Group does not have the intention to proceed with the project and the counterparty has indicated that they face difficulty in refunding the deposit, a full allowance for impairment loss has been made.

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements  
For the financial year ended 31 December 2018

13. Cash and cash equivalents

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Fixed deposits	402,111	551,371	393,792	505,271
Cash and bank balances:				
Current accounts	28,285	37,937	1,929	1,695
	430,396	589,308	395,721	506,966

Cash and bank balances denominated in foreign currencies at 31 December are as follows:

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
United States Dollar	3,250	4,217	–	–
Vietnamese Dong	1,453	41	–	–
	4,703	4,258	–	–

14. Share capital

	Group and Company	
	2018 \$'000	2017 \$'000
<b>Issued and fully paid:</b>		
1,590,381,075 (2017: 1,590,381,075) ordinary shares	1,177,185	1,177,185

The holder of ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share at shareholder meetings. All shares rank equally with regard to the Company's residual assets. The ordinary shares have no par value.

15. Reserves

(a) *Asset revaluation reserve*

Asset revaluation reserve represents increases in the fair value of hotel property, net of tax.

(b) *Foreign currency translation reserve*

Foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Company.

**Allgreen Properties Limited and its subsidiary companies**

**Notes to the financial statements  
For the financial year ended 31 December 2018**

**16. Loans from non-controlling interests**

Included in loans from non-controlling interests are quasi-equity (net investments) loans of \$30,000 (2017: \$30,000), which were granted in proportion to their respective shareholdings in the subsidiary companies.

The quasi-equity loans are unsecured and repayments are neither planned nor likely to occur in the foreseeable future.

**17. Borrowings**

	Interest rates	Maturity	Group		Company	
			2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Current:</b>						
Secured term loans <sup>(a)</sup>	1.90% - 2.98% (2017: 1.45% - 2.15%)	2019 (2017: 2018)	21,000	21,000	–	–
Secured term loans <sup>(b)</sup>	2.34% (2017: 1.59%)	2019 (2017: 2018)	10,000	10,000	–	–
			31,000	31,000	–	–
<b>Non-current:</b>						
Secured term loans <sup>(a)</sup>	1.90% - 2.98% (2017: 1.45% - 2.15%)	2020 (2017: 2020)	559,500	580,500	–	–
Secured revolving credit loans <sup>(a)</sup>	1.48% - 2.98% (2017: 1.44% - 2.24%)	2020 (2017: 2020)	596,907	591,000	–	–
Secured bank loans <sup>(c)</sup>	1.81% - 2.68% (2017: Nil%)	2022 (2017: Nil)	908,125	–	136,933	–
Secured term loans <sup>(b)</sup>	2.34% (2017: 1.59%)	2020 (2017: 2018)	5,000	15,000	–	–
Unsecured term loans	2.81% (2017: Nil%)	2020 (2017: Nil)	17,000	–	–	–
			2,086,532	1,186,500	136,933	–
Total borrowings			2,117,532	1,217,500	136,933	–

## Allgreen Properties Limited and its subsidiary companies

### Notes to the financial statements For the financial year ended 31 December 2018

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#### 17. Borrowings (cont'd)

Borrowings and other financial facilities granted to the Group are secured by the following:

- (a) These loans are secured by investment properties of the subsidiaries and related insurance policies and tenancy agreements.
- (b) Included in these facilities are borrowings which are covered by a corporate guarantee provided by the Company. Repayment of this loan is by half yearly instalments commencing from 29 December 2017 until final repayment date of 30 June 2020.
- (c) These loans are secured by:
  - (i) a first legal mortgage on the development properties;
  - (ii) an assignment of the subsidiaries' rights, title and interests in the building agreements, construction contracts, insurance policies, sale and purchase agreements, and any other contracts in connection with the developments; and
  - (iii) corporate guarantees executed by the Company.

A reconciliation of liabilities arising from financing activities is as follows:

<b>2018</b>	<b>2017</b> \$'000	<b>Cash flows</b> \$'000	<b>Non-cash</b> <b>changes</b> \$'000	<b>2018</b> \$'000
Bank borrowings	1,217,500	900,032	–	2,117,532

<b>2017</b>	<b>2016</b> \$'000	<b>Cash flows</b> \$'000	<b>Non-cash</b> <b>changes</b> \$'000	<b>2017</b> \$'000
Bank borrowings	1,263,750	(46,250)	–	1,217,500

#### 18. Rental deposits

Included in rental deposits are amounts totalling \$722,000 (2017: \$752,000) received from a shareholder of the holding company and its fellow subsidiary companies.



**Allgreen Properties Limited and its subsidiary companies**

**Notes to the financial statements  
For the financial year ended 31 December 2018**

**19. Deferred tax liabilities**

	<b>Group</b>		<b>Company</b>	
	<b>2018</b> \$'000	<b>2017</b> \$'000	<b>2018</b> \$'000	<b>2017</b> \$'000
At 1 January	81,839	86,136	–	–
Transfer to income statement:				
- current year (Note 27)	509	(8,160)	–	–
Over provision in respect of prior years (Note 27)	(22)	(133)	–	–
Gain on revaluation of property, plant and equipment	3,311	3,996	–	–
At 31 December	<u>85,637</u>	<u>81,839</u>	<u>–</u>	<u>–</u>

The balance represents tax on the following temporary differences:

	<b>Group</b>		<b>Company</b>	
	<b>2018</b> \$'000	<b>2017</b> \$'000	<b>2018</b> \$'000	<b>2017</b> \$'000
Excess of net book value over tax written down value of qualifying property, plant and equipment	18,433	17,924	–	–
Income recognition of development properties	3	25	–	–
Revaluation surplus of property, plant and equipment	67,201	63,890	–	–
	<u>85,637</u>	<u>81,839</u>	<u>–</u>	<u>–</u>

**Allgreen Properties Limited and its subsidiary companies**

**Notes to the financial statements  
For the financial year ended 31 December 2018**

**20. Derivative financial liabilities**

The Group entered into interest rate swaps to manage its exposure to interest rate movements on its floating rate interest-bearing borrowings by swapping the interest expense on these borrowings from floating rates to fixed rates.

The Group held interest rate swaps with a total notional amount of \$1,016 million (2017: \$301 million) to provide fixed rate funding for terms between 1.3 to 3.7 years till 26 April 2020 to 18 July 2021 (2017: 2.4 years till 31 May 2020).

The carrying value of the Group's derivative financial liabilities represents the total financial liabilities of the Group which are held at fair value through profit or loss.

**21. Trade payables**

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
External parties	64,571	58,921	3,751	3,211
Amounts due to subsidiary companies	–	–	–	400
Amounts due to associated company of a subsidiary company	21	16	–	–
<b>Total trade payables</b>	<b>64,592</b>	<b>58,937</b>	<b>3,751</b>	<b>3,611</b>
Add:				
Other payables (Note 22)	6,588	3,925	395	14
Advances from subsidiary companies (Note 23)	–	–	237,700	327,455
Advances from associated companies	50	50	–	–
Rental deposits (Note 18)	22,432	20,723	–	–
Borrowings (Note 17)	2,117,532	1,217,500	136,933	–
Less:				
GST payable	(1,226)	(2,205)	–	(6)
Income received in advance	(3,555)	(2,291)	–	–
<b>Total financial liabilities carried at amortised cost</b>	<b>2,206,413</b>	<b>1,296,639</b>	<b>378,779</b>	<b>331,074</b>

Trade payables generally have average credit term of 30 (2017: 30) days.

Amounts due to subsidiary companies, associated company and related companies are interest-free and generally have average credit terms of 14 (2017: 14) days.

**Allgreen Properties Limited and its subsidiary companies**

**Notes to the financial statements  
For the financial year ended 31 December 2018**

**22. Other payables**

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Deposits received	302	385		14
Retentions	1,276	512	–	–
Accruals	1,725	1,124	–	–
Other payables	3,285	1,904	395	–
	<u>6,588</u>	<u>3,925</u>	<u>395</u>	<u>14</u>

**23. Advances from subsidiary companies**

These advances are interest free, unsecured and repayable on demand.

**24. Revenue**

Revenue includes those from sale of development properties, hotel operations, project and property management fees, marketing fees, estate agency fees, rental and related income from investment properties, but excludes applicable goods and services tax.

Revenue by significant categories is detailed as follows:

	Group	
	2018 \$'000	2017 \$'000
Sale of development properties	144,038	366,856
Rental and related income from investment properties	103,485	111,518
Revenue from hotel operations	48,676	48,854
Others	1,192	375
	<u>297,391</u>	<u>527,603</u>

**25. Other income**

	Group	
	2018 \$'000	2017 \$'000
Recovery income – electricity	2,219	4,687
Interest income	3,747	3,254
Advertising and promotion collections	1,388	1,101
Foreign exchange gain	234	29
Rental income	322	2,959
Others	1,503	1,388
	<u>9,413</u>	<u>13,418</u>

**Allgreen Properties Limited and its subsidiary companies**

**Notes to the financial statements  
For the financial year ended 31 December 2018**

**26. Profit before taxation**

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Profit before taxation is arrived at after including the following:		
Cost of development properties included in cost of sales (Note 9)	(100,542)	(268,767)
Impairment in value of development properties (Note 9)	–	(5,328)
Depreciation of property, plant and equipment (Note 4)	(17,506)	(17,505)
Inventories recognised as cost of sales (Note 8)	(3,661)	(4,184)
(Loss)/gain on disposal of property, plant and equipment	(126)	46
Directors' remuneration and fees		
- Salaries, bonuses and fees	(1,849)	(2,100)
- CPF contributions	(25)	(46)
Staff costs (excluding directors' remuneration and fees)		
- Salaries, bonus and other related costs	(26,597)	(26,997)
- CPF contributions	(2,110)	(2,147)
Other expenses		
- Utilities	–	(3,374)
- Incidental expenses	(6,651)	(10,507)
- Foreign exchange loss	(218)	(2,475)
- Amount written back for impairment loss of trade receivables (net) (Note 10)	5	59
Interest expense from bank loans	(21,189)	(19,034)

**27. Taxation**

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Current taxation	16,921	33,388
Over provision in respect of prior years	(580)	(1,406)
Withholding tax	3,538	1,970
	<u>19,879</u>	<u>33,952</u>
Deferred taxation (Note 19)	509	(8,160)
Over provision in respect of prior years (Note 19)	(22)	(133)
	<u>487</u>	<u>(8,293)</u>
Total	<u>20,366</u>	<u>25,659</u>

**Allgreen Properties Limited and its subsidiary companies**

**Notes to the financial statements  
For the financial year ended 31 December 2018**

**27. Taxation (cont'd)**

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December is as follows:

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	\$'000	\$'000
Profit before taxation	115,287	197,832
Share of results of associated companies, net of taxation	(24,114)	(50,538)
	<u>91,173</u>	<u>147,294</u>
Tax at statutory rate of 17% (2017: 17%)	15,499	25,040
Adjustments:		
Non-deductible expenses	11,138	11,636
Non-taxable income	(10,224)	(8,319)
Exempt income	(233)	(285)
Utilisation of deferred tax assets on temporary differences not recognised in prior years	(377)	(2,822)
Deferred tax assets not recognised	1,718	52
Over provision of taxation in respect of prior years	(603)	(1,539)
Withholding tax	3,538	1,970
Tax rebate	(90)	(100)
Others	-	26
	<u>20,366</u>	<u>25,659</u>

**28. Dividends paid on ordinary shares**

	<b>Group and Company</b>	
	<b>2018</b>	<b>2017</b>
	\$'000	\$'000
Ordinary dividends paid:		
Interim tax exempt (one-tier) dividend for 2018: \$Nil (2017: \$0.31) per share	-	500,016
	<u>-</u>	<u>500,016</u>

**Allgreen Properties Limited and its subsidiary companies**

**Notes to the financial statements  
For the financial year ended 31 December 2018**

**29. Commitments**

- (a) Commitments contracted but not provided for in the financial statements are as follows:

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Capital expenditure in respect of:				
Development properties	69,364	21,393	39,116	—
Investment property	52,395	528	—	—
Hotel property	2,182	—	—	—

- (b) Uncalled capital contributions in subsidiary companies and associated companies in:

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<u>Vietnam</u>				
Ho Chi Minh City	379	372	—	—

- (c) Operating lease commitment:

**As lessor:**

The Group has entered into commercial property leases on its investment properties and its completed properties. These non-cancellable leases have remaining lease terms of between 1 to 72 (2017: 1 to 64) months. The Group has earned contingent rents of \$875,000 (2017: \$850,000) during the financial year.

Future minimum lease receivables under non-cancellable operating leases at the end of the reporting period are as follows:

	Group	
	2018 \$'000	2017 \$'000
Not later than one year	60,966	68,754
Later than one year but not later than five years	120,288	65,988
Later than five years	8,212	597
	<u>189,466</u>	<u>135,339</u>



Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements  
For the financial year ended 31 December 2018

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29. Commitments (cont'd)

(c) Operating lease commitment: (cont'd)

**As lessee:**

Future minimum lease payments payable under non-cancellable operating leases at the end of the reporting period are as follows:

	Group	
	2018 \$'000	2017 \$'000
Not later than one year	115,200	—
Later than one year but not later than five years	48,000	—
	<hr/>	<hr/>
	163,200	—

(d) Indemnities:

	Group	
	2018 \$'000	2017 \$'000
Indemnities given to financial institutions for performance guarantees granted	74,358	37,580

30. Financial support

As at 31 December 2018 and 2017 the Company has provided financial support to certain subsidiary companies to enable them to continue as going concerns. The aggregate net deficit position of these subsidiary companies as at 31 December 2018 amounted to \$56,568,000 (2017: \$57,349,000).

**Allgreen Properties Limited and its subsidiary companies**

**Notes to the financial statements  
For the financial year ended 31 December 2018**

**31. Significant related party transactions**

Other than the related party information disclosed elsewhere in the financial statements, the following are significant related party transactions entered into by the Group and the Company with related parties at negotiated rates:

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	\$'000	\$'000	\$'000	\$'000
<u>With subsidiary companies</u>				
Accounting, secretarial and other support service fees received	–	–	3,636	959
Management fees received	–	–	–	528
Interest income	–	–	7,588	5,469
Office rental and related charges	–	–	676	678
Marketing and administration fees paid	–	–	308	849
Project management fee paid	–	–	–	25
<u>With corporate shareholder and subsidiary companies of its immediate holding company</u>				
Lease rental received	6,646	4,783	–	–
Treasury and other support service fees paid	1,667	710	1,667	710
<u>With associated company</u>				
Laundry services paid	945	1,003	–	–
<u>With related companies</u>				
Hotel management fees and royalties paid	1,654	1,653	–	–
Marketing and administration fees paid	928	1,064	–	–
<u>With key management personnel</u>				
Salaries, directors' fees and other short-term employee benefits	6,500	6,237	2,712	4,021
CPF contributions	200	276	60	168
Comprise amount paid to:				
Directors of the Company	1,902	2,193	1,902	2,193
Other key management personnel	4,798	4,320	870	1,996

**32. Financial risk management objectives and policies**

The Group is exposed to credit risk, foreign currency risk, interest rate risk, and liquidity risk arising in the normal course of business. Management continually monitors the Group's risk management process to ensure that appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

There have been no changes to the Group's exposure to these financial risks or the manner in which it manages and measures these risks.

(a) **Credit risk**

Credit risk is the risk of a financial loss that may arise on outstanding financial instruments should a counter-party default on its obligation.

Trade receivables comprise mainly from the Group's customers who bought residential units at development properties, tenants of commercial properties and guests of hotel property.

The following situations may give rise to credit risk:

The tenants of investment properties and purchasers of development properties may default on their obligations to pay the amounts owing to the Group. For investment properties, the Group's policy is to obtain sufficient rental deposits or bankers' guarantees, where appropriate, to mitigate credit risk. For development 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.

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

The maximum exposure to credit risk is represented by the carrying amount of each class of financial assets in the balance sheets, except as follows:

	<b>Company</b>	
	<b>2018</b>	<b>2017</b>
	\$'000	\$'000
Indemnities and corporate guarantees provided to financial institutions on subsidiary companies' utilised credit facilities	63,176	51,236

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Credit risk concentration profile

At the end of the reporting period, the Group does not have any significant concentration risk.

32. Financial risk management objectives and policies (cont'd)

(a) **Credit risk (cont'd)**

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and short-term deposits are placed with or entered into with reputable financial institutions or counterparties with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Notes 10 and 11.

(b) **Foreign currency risk**

Foreign currency risk arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Group is exposed to foreign currency risk on currencies other than Singapore Dollar.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before taxation to a reasonably possible change in the USD and RMB exchange rate against the respective functional currencies of the Group entities, with all other variables held constant:

	Group	
	2018 Profit before taxation \$'000	2017 Profit before taxation \$'000
<u>Increase/(decrease)</u>		
USD/SGD		
- strengthened by 5% (2017: 5%)	125	544
- weakened by 5% (2017: 5%)	(125)	(544)
RMB/SGD		
- strengthened by 5% (2017: 5%)	788	171
- weakened by 5% (2017: 5%)	(788)	(171)

32. Financial risk management objectives and policies (cont'd)

(c) **Interest rate risk**

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Group's exposure to interest rate risk arises primarily from its interest-bearing deposits and borrowings from financial institutions.

The Group's policy is to minimise its interest rate risk exposures while obtaining sufficient funds for business expansion and working capital needs. To achieve this, the Group regularly assesses and monitors its cash with reference to its business plans and day-to-day operations. The Group also has interest rate swaps whose details are disclosed in Note 20.

The Group manages its interest cost by using a mix of fixed and variable rate borrowings, and medium term notes, and close monitoring of the interest rate market.

Sensitivity analysis for interest rate risk

Movement in interest rates will have an impact on the Group's financial assets and liabilities. A change of 50 basis points ("bp") in interest rates at the reporting date would change profit before taxation by the amounts shown below. This analysis assumes that all other variables remain constant.

	Group		Company	
	2018	2017	2018	2017
	Profit before taxation		Profit before taxation	
<u>Increase/(decrease)</u>	\$'000	\$'000	\$'000	\$'000
Interest rate				
- decrease by 50 bp	3,145	4,551	(65)	(29)
- increase by 50 bp	(3,145)	(4,551)	65	29

(d) **Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from the mismatches of maturities of financial assets and liabilities.

The Group monitors its liquidity needs by closely monitoring scheduled debt servicing payments for financial institutions and its cash outflows due to day-to-day operations, as well as ensuring the availability of funding through an adequate amount of credit facilities, both committed and uncommitted.

The Group also monitors its gearing closely. Details of its gearing are set out in Note 34 to the financial statements.

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements  
For the financial year ended 31 December 2018

32. Financial risk management objectives and policies (cont'd)

(d) *Liquidity risk (cont'd)*

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations:

Group	2018			2017		
	Less than 1 year \$'000	2 to 5 years \$'000	Total \$'000	Less than 1 year \$'000	2 to 5 years \$'000	Total \$'000
<b>Financial assets:</b>						
Trade and other receivables	48,089	–	48,089	46,380	–	46,380
Deposits	443	–	443	316	–	316
Cash and cash equivalents	430,396	–	430,396	589,308	–	589,308
<b>Total undiscounted financial assets</b>	<b>478,928</b>	<b>–</b>	<b>478,928</b>	<b>636,004</b>	<b>–</b>	<b>636,004</b>
<b>Financial liabilities:</b>						
Trade and other payables and rental deposits	78,173	10,658	88,831	66,953	12,136	79,089
Advances from associated companies	50	–	50	50	–	50
Borrowings (interest-bearing)	89,275	2,160,792	2,250,067	56,470	1,221,393	1,277,863
Derivative financial liabilities	–	3,923	3,923	–	1,884	1,884
<b>Total undiscounted financial liabilities</b>	<b>167,498</b>	<b>2,175,373</b>	<b>2,342,871</b>	<b>123,473</b>	<b>1,235,413</b>	<b>1,358,886</b>
<b>Total net undiscounted financial assets/ (liabilities)</b>	<b>311,430</b>	<b>(2,175,373)</b>	<b>(1,863,943)</b>	<b>512,531</b>	<b>(1,235,413)</b>	<b>(722,882)</b>



Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements  
For the financial year ended 31 December 2018

32. Financial risk management objectives and policies (cont'd)

(d) *Liquidity risk (cont'd)*

Company	2018			2017		
	Less than 1 year \$'000	2 to 5 years \$'000	Total \$'000	Less than 1 year \$'000	2 to 5 years \$'000	Total \$'000
<b>Financial assets:</b>						
Trade and other receivables	956	–	956	337	–	337
Deposits	168	–	168	111	14,493	14,604
Cash and cash equivalents	395,721	–	395,721	506,966	–	506,966
Loans to subsidiary companies (interest-bearing)	–	16,575	16,575	–	17,732	17,732
<b>Total undiscounted financial assets</b>	<b>396,845</b>	<b>16,575</b>	<b>413,420</b>	<b>507,414</b>	<b>32,225</b>	<b>539,639</b>
<b>Financial liabilities:</b>						
Trade and other payables	4,146	–	4,146	3,619	–	3,619
Advances from subsidiary companies	237,700	–	237,700	327,455	–	327,455
Borrowing	3,490	141,226	144,716	–	–	–
Derivative financial liabilities	–	238	238	–	–	–
<b>Total undiscounted financial liabilities</b>	<b>245,336</b>	<b>141,464</b>	<b>386,800</b>	<b>331,074</b>	<b>–</b>	<b>331,074</b>
<b>Total net undiscounted financial assets/(liabilities)</b>	<b>151,509</b>	<b>(124,889)</b>	<b>26,620</b>	<b>176,340</b>	<b>32,225</b>	<b>208,565</b>

Construction delays can result in loss of revenue. The failure to complete construction of a project according to its planned specifications or schedule may result in liabilities, reduced project efficiency and lower returns. The Group manages this risk by closely monitoring the progress of all projects through all stages of construction.

**33. Fair values of assets and liabilities**

(a) ***Fair value hierarchy***

The Group categories fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- 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.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

*Level 2 fair value measurements*

Derivative financial instruments

The fair value of interest rate swap contracts is obtained from an independent financial institution. Valuation techniques using assumptions based on market conditions existing as at balance sheet date are used in the determination of the fair value of interest rate swaps.

*Level 3 fair value measurements*

The Group's hotel property and investment properties are categorised within Level 3 of the fair value hierarchy as the properties' fair values are determined based on comparable market transactions adjusted for significant unobservable inputs such as size, condition and remaining tenure relating to the specific property.

Allgreen Properties Limited and its subsidiary companies

Notes to the financial statements  
For the financial year ended 31 December 2018

33. Fair values of assets and liabilities (cont'd)

(a) Fair value hierarchy (cont'd)

Level 3 fair value measurements (cont'd)

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3).

Description	Fair value at 31 December 2018	Valuation techniques	Unobservable inputs	Range
Hotel property	\$495,000,000 (2017: \$490,000,000)	Comparison method	Open market value on per room key basis	\$876,000 (2017: \$867,000)
		Income method	Capitalisation rate	4.75% (2017: 4.75%)
Investment properties	\$2,120,000,000 (2017: \$2,102,000,000)	Comparison method	Open market value on net lettable area basis (commercial and retail)	\$1,693 - \$1,848 (2017: \$1,643 - \$2,199) psf
			Open market value on per room key basis (serviced apartment)	\$1,450,000 (2017: \$1,450,000)
		Income method	Capitalisation rate	3.25% - 4.75% (2017: 3.25% - 5%)

A significant increase/(decrease) in the open market value used in management's assumptions would result in a significantly higher/(lower) fair value measurement.

A significant increase/(decrease) in the capitalisation rate used in management's assumptions would result in a significantly lower/(higher) fair value measurement.

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts to perform the valuation.

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, external valuation experts are requested to calibrate the valuation models and inputs to actual market transactions (which may include transactions entered into by the Group with third parties as appropriate) that are relevant to the valuation if such information are reasonably available. For valuations that are sensitive to the unobservable inputs used, external valuation experts may, to the extent practicable, use a minimum of two valuation approaches to allow for cross-checks.

## Allgreen Properties Limited and its subsidiary companies

### Notes to the financial statements For the financial year ended 31 December 2018

#### 33. Fair values of assets and liabilities (cont'd)

- (b) *Fair values of assets and liabilities by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value*

The carrying values of the following financial assets and liabilities are reasonable approximations of fair values either due to their short-term nature or that they are repriced at market rates at or near the end of the reporting period or the difference between their carrying values and fair values is not significant: Cash and cash equivalents, trade and other receivables, deposits, loans from non-controlling interests of subsidiary companies, advances from subsidiary companies and associated companies, rental deposits, bank borrowings and trade and other payables.

The interest-bearing portion of the loans to subsidiary companies is a reasonable approximation of its fair value, as it is a floating instrument repriced to market interest rates on annual basis.

#### 34. 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 issue new shares, adjust the amount of dividend payment, obtain new borrowings or sell assets to reduce borrowings, subject to the provisions of the Company's Memorandum and Articles of Association, and the Singapore Companies Act, Cap 50. The Group monitors capital using a gearing ratio, which is net debt divided by total equity. The Group's current strategy is to maintain the gearing ratio below 1.2 times.

	Group	
	2018 \$'000	2017 \$'000
Borrowings	2,117,532	1,217,500
Less: Cash and cash equivalents	(430,396)	(589,308)
Net debt	1,687,136	628,192
Total equity	2,837,902	2,773,638
Gearing	ϕ0.59	ϕ0.23

**UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ALLGREEN  
PROPERTIES LIMITED AND ITS SUBSIDIARIES FOR THE SIX MONTHS ENDED 30  
JUNE 2019**

*The information in this Appendix IV has been extracted and reproduced from the unaudited consolidated financial statements of Allgreen Properties Limited and its subsidiaries for the six months ended 30 June 2019 and has not been specifically prepared for inclusion in this Information Memorandum.*

## ALLGREEN PROPERTIES LIMITED AND ITS SUBSIDIARIES

Unaudited management accounts for the six months ended 30 June 2019

### Consolidated Income Statements for the six months ended 30 June 2019

	1H2019	Restated <sup>1</sup> 1H2018
	S\$'000	S\$'000
<b>Revenue</b>	<b>76,464</b>	<b>187,082</b>
Cost of sales	(27,688)	(98,370)
<b>Gross profit</b>	<b>48,776</b>	<b>88,712</b>
Other income	4,711	4,631
Distribution and selling expenses	(5,863)	(5,811)
Administrative expenses	(12,023)	(10,895)
Depreciation	(8,527)	(8,869)
Other expenses	(774)	(3,236)
Finance costs	(18,573)	(10,441)
Share of results of associated companies	12,635	7,908
<b>Profit before taxation</b>	<b>20,362</b>	<b>61,999</b>
Taxation	(5,315)	(10,118)
<b>Profit for the period</b>	<b>15,047</b>	<b>51,881</b>
<b>Profit attributable to:</b>		
Owner of the Company	13,040	48,018
Non-controlling interests	2,007	3,863
	<u>15,047</u>	<u>51,881</u>

#### Restatement of 1H2018

<sup>[1]</sup> In March 2019, the IFRS Interpretations Committee (the “IFRSIC”) issued an update on the decisions reached by the IFRSIC and concluded its views that borrowing costs relating to development properties that are ready for its intended sales (i.e. ready for launch) should not be capitalised and instead, be expensed when incurred. Following the update of the agenda decision by IFRSIC, the Group has ceased capitalisation of the borrowing costs relating to the development properties that are ready for its intended sales. For comparability purposes, the Group has restated comparatives for 1H 2018.



## ALLGREEN PROPERTIES LIMITED AND ITS SUBSIDIARIES

Unaudited management accounts for the six months ended 30 June 2019

### Consolidated Statements of Financial Position as at 30 June 2019

	1H2019 S\$'000	Restated <sup>1</sup> 1H2018 S\$'000
Property, plant and equipment	533,401	491,577
Investment properties	2,120,000	2,102,000
Deposits	227,162	62,958
Associated companies	659,177	695,522
<b>Non-current assets</b>	<b><u>3,539,740</u></b>	<b><u>3,352,057</u></b>
Inventories	46	52
Development properties	1,355,758	873,466
Trade receivables	7,988	5,777
Other receivables	46,568	48,082
Deposits	806	881
Prepayments	2,065	975
Cash and cash equivalents	45,916	45,252
<b>Current assets</b>	<b><u>1,459,147</u></b>	<b><u>974,485</u></b>
<b>Total assets</b>	<b><u>4,998,887</u></b>	<b><u>4,326,542</u></b>
Share capital	1,177,185	1,177,185
Reserves	183,398	194,359
Retained earnings	1,119,549	1,066,187
<b>Equity attributable to owner of the Company</b>	<b><u>2,480,132</u></b>	<b><u>2,437,731</u></b>
Non-controlling interests	365,257	379,705
<b>Total equity</b>	<b><u>2,845,389</u></b>	<b><u>2,817,436</u></b>
Loans from non-controlling interests of subsidiary companies	68,646	-
Long-term borrowings	907,929	1,289,802
Rental deposits	13,740	11,023
Deferred tax liabilities	85,041	81,542
Derivative financial liabilities	3,923	1,884
<b>Non-current liabilities</b>	<b><u>1,079,279</u></b>	<b><u>1,384,251</u></b>
Trade payables	67,754	53,709
Rental deposits	9,447	9,472
Other payables	8,345	5,050
Advances from associated companies	50	50
Borrowings	975,272	31,000
Provision for taxation	13,351	25,574
<b>Current liabilities</b>	<b><u>1,074,219</u></b>	<b><u>124,855</u></b>
<b>Total liabilities</b>	<b><u>2,153,498</u></b>	<b><u>1,509,106</u></b>
<b>Total equity and liabilities</b>	<b><u>4,998,887</u></b>	<b><u>4,326,542</u></b>

## ALLGREEN PROPERTIES LIMITED AND ITS SUBSIDIARIES

Unaudited management accounts for the six months ended 30 June 2019

### Consolidated Statement of Cash Flows for the six months ended 30 June 2019

	1H2019	Restated <sup>1</sup> 1H2018
	S\$'000	S\$'000
Cash flows from / (to) operating activities	(190,467)	(642,849)
Cash flows from / (to) investing activities	(18,799)	4,507
Cash flows from / (to) financing activities	(174,199)	95,119
Net change in cash and cash equivalents	<u>(383,465)</u>	<u>(543,223)</u>
Cash and cash equivalents at beginning of the period	430,396	589,308
Effect of exchange rate changes on cash and cash equivalents	(1,015)	(833)
<b>Cash and cash equivalents at end of the period</b>	<b><u>45,916</u></b>	<b><u>45,252</u></b>

#### ***Changes in accounting policies***

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has:

- Changed its policy with regards to the recognition of borrowing costs and;
- Adopted all the new and revised standards which are effective for annual financial period beginning on 1 January 2019. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

#### Recognition of borrowing costs

Before 1 January 2019, the Group capitalised borrowing costs incurred on development properties of which revenue was recognised on a percentage of completion method.

In March 2019, an interpretation was issued which concluded that borrowing costs relating to development properties that are ready for its intended sale (i.e. ready for launch) should not be capitalised and instead, be expensed when incurred. Following this update, the Group has ceased capitalisation of the borrowing costs relating to its development properties when the properties are ready for their intended sale.

Adjustments have been made to the borrowing costs and cost of sales for 1H2018, as borrowing costs capitalised after the point that the project is ready for its intended sale in the prior period, should have been recognised as expense in prior period.

#### FRS 116 Leases

The Group has adopted FRS 116 *Leases* on 1 January 2019, using the modified retrospective approach. FRS 116 introduces a single, on-balance sheet lease accounting model on lessees. The rationale of the change is to better reflect the economic substance of lease transactions. It requires a lessee to recognise a right-of-use (“ROU”) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items.

The Group has not restated comparatives for the 2018 reporting period as permitted under the specific transition provisions in FRS 116. The Group applied the practical expedient to grandfather the definition of lease on transition. This means that FRS 116 will be applied to all contracts entered into before 1 January 2019 which previously have been identified as “operating leases” under the principles of FRS 17 *Leases*.

ROU asset and its corresponding lease liability are recognised at the date of which the leased asset is available for use by the Group. They are measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as at 1 January 2019.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The ROU asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

In applying FRS 116 for the first time, the Group has used certain practical expedients permitted by the standard. On the adoption of FRS 116, the Group recognised ROU assets and the corresponding lease liabilities for the leases previously classified as operating leases. The Group is assessing the impact of the adoption and the assessment may be subject to changes arising from ongoing analysis.

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